

THE TUTTLE GROUP

# 10 REASONS TO BUY YOUR HOME USING VA LOANS

FOR VETERANS ONLY



# 10 Reasons to Buy Your Home Using VA Loans

Let us help you learn 10 facts about the program so you can forget about any other home buying or refinance options!

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## 1.) No down payment and no mortgage insurance!

Yes! You don't need a down payment. None whatsoever. Most mortgage programs, such as FHA and conventional loans, require at least 3.5 percent to five percent down. That's up to \$12,500 on a \$250,000 home purchase.

With a VA loan, you can buy immediately, rather than years of saving for a down payment. With a VA loan, you also avoid steep mortgage insurance fees. At 5 percent down, private mortgage insurance (PMI) costs \$150 per month on a \$250,000 home, according to PMI provider MGIC.

Using a VA loan saves you money upfront, and tremendously increases your buying power. It's a HUGE advantage.

## 2.) VA Loan rates are lower!

VA loan rates are typically about 0.25% lower than those of conventional loans. The VA backs the mortgages, making them a lower risk for lenders. Those savings are passed on to Veterans.

Additionally, VA loans come with some of the lowest foreclosure rates of any loan type, further reducing risk for lenders. No surprise here, but Veterans and Servicepersons take homeownership seriously.

## 3.) You can use your benefit again and again...

You can use your VA home loan benefit as many times as you want. We can tell you all about how!

If in the past you purchased a home with a VA loan. Then, now, you want to sell the home. Just pay off the VA loan completely then you can re-use your benefit to buy another home. Your entitlement is restored in full!

There are many more benefits...you can just ask us. ☺

#### **4.) Your VA Loan benefit never expires**

Once you have earned eligibility for the VA home loan, it never goes away. Those who served 20, 30, even 50 years ago often wonder whether they can still buy a home today if they never used their benefit. If eligibility can be established, the answer is yes.

Eligibility is based on the length of time served, and the period in which you served. For instance, a U.S. Army Veteran with at least 90 days in service during the Vietnam era is likely eligible.

#### **5.) Eligibility for surviving spouses**

It's very difficult – or no way to repay the spouse of a fallen hero, but this benefit surely helps them move forward after tragedy.

Un-remarried husbands and wives of Servicepersons who were killed in action can buy a home with zero down payment and no mortgage insurance. Plus, the VA funding fee is waived. You want to qualify for a mortgage on Home #2 while you're still on the hook for the loan on Home #1.

#### **6.) Low credit scores, bankruptcy, foreclosure...no problem!**

Unlike many loan programs, a lower credit score, bankruptcy or foreclosure does not disqualify you from a VA home loan.

Various lenders will have their own stance on past credit issues. However, VA guidelines do not state a minimum credit score to qualify. This gives lenders leniency to approve loans with lower scores. In addition, VA considers your credit re-established when you have established two years of clean credit following a foreclosure or bankruptcy.

## **7.) Local lenders are able to provide VA Loans**

The VA provides insurance to lenders. It's officially called the VA guaranty. The VA assures the lender that it will be repaid if the Veteran can no longer make payments. In turn, lenders issue loans at superior terms. In short, a VA loan gives you the best of both worlds. You enjoy your benefit, but have the convenience and speed of working with your chosen lender.

## **8.) VA Loan is not just for buying a home**

You can also use VA Loan to refinance your existing mortgage, whether it's a VA Loan or not. Even though you own a home today and looking to move up and buy another home, your credit score is still important.

In addition, homeowners without a VA loan can use a VA refinance. The VA cash-out loan is available to eligible Veterans who don't have a VA loan currently. As its name suggests, a VA cash-out refinance can be used to turn your home's equity into cash. You simply take out a bigger loan than what you currently owe. The difference is issued to you at closing.

At The Tuttle Group, we make these things as pain-free as possible. Let's work with you to find the best option to leverage VA Loans!

## **9.) Buy a condo with a VA Loan**

Condominiums are great starter homes with their price point often lower than family homes. But they are commonly overlooked by VA home buyers.

The VA maintains a list of approved condominium communities. Veterans can search by city, state, or even condominium name on VA's condo search tool. You'd be surprised at how extensive the list is!

In Texas, there are about 1000 approved condominium communities! As a Veteran or Servicemember, consider the array of home types when shopping for a home.

## 10.) Funding fee waivers

The fee is between 0.50 percent and 3.3 percent of the loan amount, depending on service history and the loan type.

However, not everyone pays the VA funding fee. Disabled Veterans who are receiving compensation for a service-connected disability are exempt. Likewise, Veterans who are eligible for disability compensation, but are receiving retirement or active duty pay instead, are also exempt from the fee.

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If you are ready to buy, sell or refinance your home, give us a call at 469-319-0660 or email [thetuttlegroup@fairwaymc.com](mailto:thetuttlegroup@fairwaymc.com) -- and let's talk through your options.

At The Tuttle Group, our mission is to align your home loan with your long-term financial goals to help you achieve all your dreams. From paying for college to starting a business, your home loan should provide you flexibility.

