

The VA Home Loan Starter Guide

A plain-language introduction for veterans, service members and surviving spouses considering a VA-backed home loan.

The VA home loan benefit is something you earned through service. This guide is meant to help you understand the basics, including eligibility, the Certificate of Eligibility, the funding fee, the VA appraisal and refinancing, so you can ask good questions and make decisions with confidence.

BEFORE WE BEGIN

This is an independent educational guide. I am not affiliated with or endorsed by the U.S. Department of Veterans Affairs or any government agency. VA-backed loans are made by private lenders, with a portion of the loan backed by the VA; each loan is subject to lender approval and program rules.

01 Who may be eligible

Eligibility is generally based on your **length of service, duty status and character of discharge**. You may be eligible if you are:

- A veteran who meets minimum active-duty service requirements
- An active-duty service member who has served the required minimum period
- A current or former member of the National Guard or Reserves who meets service requirements
- A surviving spouse of a veteran who died in service or from a service-connected disability (certain other situations may also qualify)

Service requirements differ by era and situation, so the most reliable answer comes from your Certificate of Eligibility.

02 The Certificate of Eligibility (COE)

The COE shows a lender you may qualify for the benefit and how much entitlement you have. It does not by itself approve a loan.

Ways to request it

- Through your lender, which can often request it electronically in minutes
- Online at VA.gov
- By mail, using the VA's request form

Documents often needed

- Veterans: DD-214
- Active duty: a Statement of Service signed by your commander or personnel officer
- Guard or Reserve: service history (such as NGB Form 22 or a points statement)
- Surviving spouses: additional VA forms and documents

03 The VA funding fee

The funding fee is a one-time charge paid to the VA that helps keep the program available. It is a percentage of the loan amount that **varies** by loan type and prior use of the benefit, and it can usually be paid at closing or financed. Your Loan Estimate will show your amount.

YOU MAY BE EXEMPT IF YOU

- Receive, or are eligible to receive, VA compensation for a service-connected disability
- Are a surviving spouse receiving Dependency and Indemnity Compensation (DIC)
- Are an active-duty service member who has received the Purple Heart (with documentation)
- Have a proposed or memorandum disability rating issued before closing

Exemption status usually appears on your COE. If you think you qualify but it isn't shown, tell your lender.

04 Closing costs

Like any home loan, a VA loan comes with closing costs, such as lender and title fees, prepaid taxes and insurance, and the VA funding fee (unless you are exempt). In some cases sellers may agree to pay certain costs; your agent can explain how that works in your contract. Your Loan Estimate will show your costs. Subject to credit approval, underwriting, and property eligibility.

05 VA appraisal & minimum property requirements

A VA-assigned appraiser estimates the home's value and checks it against the VA's **Minimum Property Requirements (MPRs)**. The goal is a home that is **safe, structurally sound and sanitary**. The result is issued as a Notice of Value (NOV).

Typical items reviewed

- Roof condition and remaining life
- Adequate heating, safe water supply and sewage disposal
- Electrical, plumbing and structural soundness
- Safe access to the property
- Peeling paint on homes built before 1978 (lead-based paint hazard)

Good to know

- A wood-destroying insect (termite) inspection may be required in many areas, including much of the Southeast
- Required repairs are usually completed before closing; who pays is negotiated in the contract
- If the value comes in low, there is a process to request a reconsideration of value
- The appraisal is not a home inspection. A separate inspection is still a good idea

06 IRRRL basics

The Interest Rate Reduction Refinance Loan (IRRRL), sometimes called a VA Streamline, lets you refinance an **existing VA loan** into a new VA loan, typically to lower your interest rate or move from an adjustable to a fixed rate.

- Generally available only to refinance an existing VA-backed loan
- You must certify you previously lived in the home (current occupancy is not always required)
- Waiting (seasoning) periods apply after your original loan
- The new loan must provide a net tangible benefit, and costs must be recouped within program time limits
- The VA may not require an appraisal or credit underwriting, but lenders often have their own requirements
- A reduced funding fee generally applies unless you are exempt

YOUR NEXT STEPS

Request or locate your COE · gather your service documents · let your lender know about any disability compensation · ask questions early. You're welcome to bring them to me.

NEXT STEPS

Thank you for *your service.*



I'm Chelsea Reeder, a mortgage broker serving North and South Carolina, from the Upstate to Charleston and Charlotte, and up to Hendersonville, Asheville and Boone. It's an honor to help veterans, service members and military families understand their home loan options.

If you have questions about anything in this guide, I'm happy to walk through your situation with you, at your pace and with no pressure.

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BOOK A 30-MINUTE CALL

<https://calendly.com/loanofficerchels/30min>

START AN APPLICATION

<https://communitymtgsolutions.com/borrower-portal?lo=c-helsea-reeder>

IMPORTANT INFORMATION

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