

Closing costs normally associated with a
VA GUARANTEED LOAN

- ✓ Origination Fee*
- ✓ Discount Points
- ✓ Appraisal Fee
- ✓ Credit Report Fee
- ✓ Prepaid Taxes and Hazard Insurance
- ✓ Title Examination Fee
- ✓ Title Insurance Fee
- ✓ Flood Zone Determination
- ✓ Environmental Endorsements
- ✓ Compliance Inspections
(usually on New Construction Loans)
- ✓ Recording Fees
- ✓ VA Funding Fee

*The loan origination fee is limited to 1% of the loan amount. The lender may charge this flat fee or itemize the following fees not to exceed 1%:

- Application and Processing Fees
- Document Preparation Fee
- Loan Closing or Settlement Fee
- Notary Fees
- Interest Rate Lock-In Fee
- Tax Service Fee
- Delivery/Wire Fees
- Commitment or Marketing Fees
- Trustee's Fees or Charges

This is not an all exclusive list of fees and charges. If you have any questions concerning fees and charges on a VA Loan, contact the Regional Loan Center.

Department of Veterans Affairs
VA Regional Loan Center
3333 North Central Avenue
Phoenix, AZ 85012

Toll-free number
1-888-869-0194
Monday through Friday
7:30 a.m. to 4:00 p.m. MST

Phoenix RLC Website
www.vba.va.gov/ro/phoenixlgy/index.htm

National VA Loan Guaranty Website
www.homeloans.va.gov

To contact the
VA Eligibility Center
call 1-888-244-6711

or write
VA Eligibility Center
P.O. Box 20729
Winston-Salem, NC 27120

To sign up for our new Email Notification
Service, logon to
[http://mailman.listserve.com/
listmanager/listinfo/phoenixrlc](http://mailman.listserve.com/listmanager/listinfo/phoenixrlc)

For more information on other
VA benefits call
1-800-827-1000



STEPS TO GETTING A VA GUARANTEED LOAN



THE PROCESS



April 2008

Why a VA loan?

VA loans offer several advantages:

- ✓ 100% Financing – No down payment required
- ✓ No PMI (Private Mortgage Insurance)
- ✓ Limited closing costs
- ✓ Interest rate negotiable with your lender
- ✓ Easy to qualify
- ✓ No pre-payment penalties
- ✓ Energy Efficient Mortgages available

What is the first step in getting a VA loan?

You should obtain a Certificate of Eligibility. In most cases your lender can obtain an Automated Certificate of Eligibility instantly from our website, or they can submit an electronic application on your behalf. Or, if you prefer, you may apply directly to the VA Eligibility Center by mailing your proof of service and VA Form 26-1880, Request for a Certificate of Eligibility for VA Home Loan Benefits. This form is available online at www.homeloans.va.gov or call your nearest VA office to obtain one by mail.

How much can I borrow?

Most lenders will loan up to \$417,000, the current Freddie Mac conforming loan limit, without a down payment. However, you must qualify based on your income and credit.

Doesn't VA give me the loan?

VA does not directly lend any money. You must obtain your home loan through a lender and VA will provide a loan guaranty. The guaranty means the lender is protected against loss if you or a later owner fails to repay the loan. The guaranty replaces the protection the lender normally receives by requiring a down payment allowing you to obtain favorable financing terms.

Who does VA consider a lender?

A lender can be any institution that has been approved by VA to assist veterans in obtaining financing. For example, banks, credit unions, mortgage companies, and mortgage brokers. When you contact the lender, ask them if they are VA approved.

May a veteran join with a non veteran who is not his or her spouse in obtaining a VA loan?

Yes, but the guaranty is based only on the veteran's portion of the loan. The guaranty cannot cover the non-veteran's part of the loan. Consult lenders to determine whether they would be willing to accept applications for joint loans of this type. Lenders that are willing to make these types of loans will likely require a down payment to cover risk on the un-guaranteed, non-veteran's portion of the loan. Unlike other loans, the lender must submit joint loans to VA for approval before they are made.

Once I have my Certificate of Eligibility, a property to purchase, and a lender, what's the next step?

The lender will take your application, order an appraisal on the property and run a credit report. The lender will determine if you are qualified based on your income and credit history. If you qualify, the lender will close the loan and VA will guarantee it.

What happens if I don't qualify?

Your lender will explain your options if you fail to qualify for a VA loan.

How long does the VA loan process usually take?

VA loans are fast and easy to process. They should not take any longer process than a conventional loan. Since the length of time can vary depending on your lender's loan volume, you should ask your lender how long it will take to close your loan.

What is the VA Funding Fee?

This is a fee that is charged to the veteran borrower to help offset the costs of the home loan program. It is the only closing cost that can be rolled into your VA Loan. If you have been rated eligible to receive VA compensation, you may be exempt from this fee.

What about other closing fees?

All other closing fees must be paid at the time of closing by you, the buyer. Depending on the terms in your purchase contract, the seller may pay a portion or all of these fees for you.

The total amount of closing fees will vary depending on the lender and the price of the property. Your lender will provide you with a Good Faith Estimate and explain the costs of your loan.