

VA HOME LOAN GUIDE

A practical introduction to using your VA home loan benefit to buy a home.

01	Understand the benefit
02	Confirm eligibility
03	Plan financing
04	Find the right property
05	Navigate appraisal & closing

Nancy Kramer, REALTOR®
Root & Branch Realty Group
Central Oregon

NancyKramerRealEstate.com | (757) 634-1009

1. What the VA Home Loan Benefit Does

The VA home loan program helps eligible veterans, active-duty service members, and certain surviving spouses finance a primary residence through private lenders, with a portion of the loan guaranteed by the U.S. Department of Veterans Affairs.

Potential advantages

- Eligible borrowers may be able to finance a home with no down payment, subject to lender approval, entitlement, property value, and other loan requirements.
- VA loans do not require monthly private mortgage insurance (PMI).
- VA limits certain fees and closing costs that may be charged to the borrower.
- VA loans may offer competitive interest rates and flexible qualifying standards compared with some conventional financing.
- The benefit can generally be used more than once when eligibility and entitlement requirements are met.

Important: VA guarantees part of the loan; it does not lend the money in most purchase transactions. Your lender still determines whether you qualify based on income, credit, debts, and its underwriting requirements.

No down payment does not mean no cash needed

A buyer may still need money for earnest money, inspections, prepaid taxes and insurance, allowable closing costs, and other transaction expenses. Seller concessions, lender credits, and negotiated terms may affect the amount needed.

2. Eligibility, Entitlement & the COE

The starting point is establishing eligibility for the VA home loan benefit. A Certificate of Eligibility (COE) tells a lender whether VA records show that you are eligible and provides entitlement information used in the loan process.

Certificate of Eligibility

Many VA-approved lenders can obtain the COE electronically. Eligible borrowers can also request one through VA. The COE is important, but it is not a loan approval.

Entitlement

Entitlement is the amount of VA guaranty available for the loan. Borrowers with full entitlement generally are not subject to a VA loan limit for a no-down-payment purchase, although the lender still evaluates affordability and qualification. If some entitlement is already tied to another VA loan, the calculation can be different.

VA funding fee

Most VA purchase loans include a one-time VA funding fee. The percentage depends on factors such as the type of transaction, down payment, and whether the benefit has been used before. Some borrowers are exempt from the funding fee. A VA-approved lender can determine the amount or exemption that applies to a specific borrower.

Do not guess about your benefit. Prior VA loan use, an existing VA loan, restoration of entitlement, or funding-fee exemption can change the numbers. Have a VA-experienced lender review your actual COE and circumstances.

Questions to ask a VA lender

- Do I currently have full entitlement?
- Am I exempt from the VA funding fee?
- What will my estimated cash-to-close be?
- What payment range fits my budget?
- Are there lender overlays or credit requirements I should know about?

3. Finding a Home That Works With VA Financing

VA financing can be used for many ordinary owner-occupied homes, but the property must meet VA and lender requirements and must be intended as the borrower's primary residence.

Property condition matters

VA's appraisal process includes Minimum Property Requirements intended to address basic safety, sanitation, and structural soundness. A property does not have to be new or cosmetically perfect, but certain conditions may need to be corrected before the loan can close.

- Do not assume that every fixer-upper will work with standard VA financing.
- Discuss obvious condition issues before writing the offer when possible.
- Condominiums generally must meet VA project-approval requirements.
- Manufactured homes have additional VA and lender requirements.
- Acreage and rural properties can work with VA financing, but wells, septic systems, access, comparable sales, and property characteristics may require additional attention.

Central Oregon note: Rural homes are common here. A VA buyer considering acreage should identify the water source, septic system, legal access, road maintenance, utilities, and other property-specific issues early rather than waiting until the end of the transaction.

Occupancy

VA purchase financing is designed for a home the eligible borrower intends to occupy as a primary residence. Specific occupancy rules and exceptions should be discussed with the lender when circumstances are unusual.

4. The VA Appraisal Is Not a Home Inspection

This distinction is important. The VA appraisal serves lending and VA purposes: it provides an opinion of value and considers whether the property appears to meet VA Minimum Property Requirements. It is not a substitute for a buyer's independent home inspection.

VA Appraisal	Home Inspection
Ordered as part of the VA loan process.	Chosen by the buyer as part of due diligence.
Addresses value and VA property requirements.	Examines the home's condition and systems in greater detail.
Protects VA/lending interests and supports the loan decision.	Helps the buyer understand the property before proceeding.

What if the appraisal identifies a problem?

Depending on the issue, repairs may need to be completed and verified before closing. How repairs are negotiated is a transaction question; whether a particular repair satisfies VA and lender requirements is a lending/appraisal question.

What if the appraised value is below the contract price?

VA transactions include appraisal-related procedures and contractual protections that can become important when value is lower than the agreed price. The parties may negotiate, and the buyer should discuss financing implications with the lender and contractual options with the real estate professional handling the transaction.

5. Offer, Closing Costs & the Road to Closing

VA financing is only one part of the offer. Price, seller concessions, closing timeline, inspection terms, earnest money, possession, and the condition of the property all matter.

Seller concessions & closing costs

VA rules distinguish between ordinary allowable closing costs and seller concessions. The details can be technical, and loan guidelines can change, so structure concessions with the lender's input rather than relying on a rule of thumb.

Protect the loan while under contract

- Respond promptly to lender and escrow requests.
- Do not open new credit or finance major purchases without talking to the lender.
- Do not move large amounts of money between accounts without asking how it should be documented.
- Tell the lender about employment, income, debt, or financial changes.
- Keep insurance, appraisal, inspection, title, and contract deadlines on your radar.

VA buyers can compete. A VA offer should be evaluated on its actual price and terms, not outdated assumptions about the loan program. Good preparation, a strong preapproval, realistic timelines, and clear communication can make a VA-financed transaction straightforward.

VA Home Loan Roadmap

- Confirm eligibility and obtain/review the COE.
- Choose a VA-experienced lender and get preapproved.
- Set a realistic budget and cash-to-close plan.
- Search for a home that fits your needs and financing.
- Write an offer with appropriate terms and protections.
- Complete inspections and other due diligence.
- Complete the VA appraisal and lender underwriting.
- Review final figures, sign, fund, record, and take possession as agreed.

USING YOUR VA BENEFIT IN CENTRAL OREGON?

The VA home loan benefit can be powerful, but the details matter. A knowledgeable lender and clear real estate guidance can help you understand the financing, the property, and the contract without treating a VA purchase as something mysterious.

Nancy Kramer, REALTOR®
Root & Branch Realty Group
(757) 634-1009
realtornancykramer@gmail.com
NancyKramerRealEstate.com

Oregon Real Estate License #200609066

This guide is for general educational purposes only and is not a statement of current VA loan approval, eligibility, underwriting, legal, tax, appraisal, or lending requirements for any particular borrower or property. VA and lender requirements can change and individual circumstances vary. Consult the U.S. Department of Veterans Affairs and a VA-approved lender for current program requirements and advice specific to your financing.