



VA home loans

You may get better terms on loans guaranteed by the VA and other benefits related to housing.

The U.S. Department of Veterans Affairs (VA) has programs to help servicemembers, veterans, and in some cases, family members purchase, retain, or adapt homes.

VA-BACKED HOME LOANS

VA home loan programs help eligible borrowers to get better terms on their home loans. The VA guarantees a portion of the loan you get from a private lender. If your VA-backed home loan goes into foreclosure, the guaranty allows the lender to recover some of their losses from the VA.

Many—but not all—lenders offer VA home loans. Ask lenders whether they offer VA home loans as you shop around. VA home loans are only available to:

- Qualifying active-duty servicemembers
- Veterans (depending on their type of discharge)
- Qualifying servicemembers in the Reserve or National Guard
- Eligible surviving spouses of servicemembers or veterans

The VA does limit its guaranty, which varies by county. You can find out the limit in the county you are considering at [va.gov/housing-assistance/home-loans/loan-limits/](https://www.va.gov/housing-assistance/home-loans/loan-limits/).

The VA guarantees these types of VA home loans:

- **Purchase loans.** A VA-backed purchase loan helps you buy a home at a competitive interest rate and other terms. These loans do not require down payments, although you can choose to make one. They also do not have mortgage insurance requirements.

There is no minimum credit history or maximum debt-to-income ratio. But, if your credit score is low and your debt-to-income ratio is more than 41 percent, lenders will look for other strengths in your application, called “compensating factors.” Compensating factors can include:

- An excellent credit history
- Low debt or past use of credit
- Long-term employment
- Significant savings
- Other military benefits
- **Interest rate reduction refinance loans.** Refinancing is when you replace your current loan with a new one under different terms. An interest rate reduction refinance loan can help you obtain a lower interest rate by refinancing an existing VA loan. For more information, visit [va.gov/housing-assistance/home-loans/loan-types/interest-rate-reduction-loan/](https://www.va.gov/housing-assistance/home-loans/loan-types/interest-rate-reduction-loan/).
- **Cash-out refinance loans.** If you want to take cash out of your home equity or refinance a non-VA loan into a VA-backed loan, a cash-out refinance loan may be right for you. For more information, visit [va.gov/housing-assistance/home-loans/loan-types/cash-out-loan/](https://www.va.gov/housing-assistance/home-loans/loan-types/cash-out-loan/).

ADDITIONAL VA BENEFITS RELATED TO HOUSING

Native American Direct Loan (NADL) Program

Through the NADL Program, the VA directly makes loans to eligible Native American veterans to finance the purchase, construction, or improvement of homes on Federal Trust Land, or reduce the interest rate on a prior NADL. For more information, visit va.gov/housing-assistance/home-loans/loan-types/native-american-direct-loan/.

Adapted Housing Grants

The VA offers grants to help veterans with certain service-connected disabilities purchase or build homes that are adapted to accommodate their needs. Adapted housing grants can also be used to modify existing homes to meet the needs of eligible disabled veterans.

The maximum amount of the grant changes annually. Find it at va.gov/housing-assistance/disability-housing-grants/.

CERTIFICATE OF ELIGIBILITY

To qualify for these VA programs and benefits you must obtain a Certificate of Eligibility (COE) from the VA that verifies you or your spouse's military service. Obtain a COE online at va.gov/housing-assistance/home-loans/eligibility/ or work with your lender to obtain one.