

VA Loan Financing

This fabulous zero down VA loan is a great option for our Arizona buyers who are active or retired military **AND** since Arizona has an Air Force Base we tend to see many borrowers who have VA Loan eligibility benefits in our market! I often hear from agents that VA loans are more difficult or the appraisal requirements are too demanding. In years past this may have been true, but today VA loans are a viable option for our buyers!

VA loan highlights, answers to common questions and contract writing tips are as follows:

- **100% Financing up to \$417,000 ~ No Monthly Mortgage Insurance**

Why does the LSR reflect a loan amount higher than the purchase price?

Most VA loans require a funding fee which is financed into the loan.

Example:

Purchase Price:	\$100,000
Down Payment:	\$0
Base Loan Amount:	\$100,000
Funding Fee (2.15%):	\$2,150
Total Loan Amount:	\$102,150 (Amount reflected on LSR)

Note: 2.15% funding fee is for first time users. This % will fluctuate for subsequent users, loan to value and reserve/national guard status.

- **Line 79 of the Arizona purchase contract**

What actually goes on this line?

Costs not permitted to be paid by the Buyer (also know as VA Non-Allowable Closing Costs). These costs include **lender fees** (underwriting, processing, application fee, document preparation and tax service) & the **escrow fee**. Email me for a complete list of VA Non-Allowable buyer costs. This dollar amount generally ranges from \$900 - \$1500 and will vary by loan amount. Contact the buyer's lender and the title company to get their respective fees. For example, if the lender fees are \$1000 and the escrow fee is \$300 you would write \$1300 on line 79.

Where in the contract can I request seller contribution toward the buyer's allowable closing costs and prepaids?

- **Request Seller Contribution on line 304 of the Arizona contract.**

Does VA offer financing for condos?

- **VA Condos ~ Yes!** To be eligible for financing, condo projects must be a VA approved condo. Approved projects can be found on the following website: <http://condopudbuilder.vba.va.gov/2.2/frames.html>

Is there a Jumbo VA loan?

- **Jumbo VA Loan Financing ~ Yes!** Although not zero down, this loan offers a LOW down payment (averages 8-10%) and still doesn't require monthly mortgage insurance! Email me if you would like more information on this fantastic jumbo loan program!

Additional questions? Feel free to call or e-mail me. Utilizing a VA loan is a great option for retired and active military buyers to obtain an Arizona Mortgage.

Our beautiful Arizona weather has arrived! I hope you'll have the opportunity to get out and enjoy the weekend.

~Kelly

Quote of the Week: We are all something, but none of us are everything.~ Blaise Pascal

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