



# SHINE BRIGHT

## VA LOANS 101: WORKING WITH MILITARY BUYERS

Helping a veteran realize the American dream of homeownership is gratifying for a real estate professional – and as most agents are aware, getting a VA loan to finance a home is a tremendous benefit for eligible veterans. The program offers:

- 1. NO DOWN PAYMENT AND LOW INTEREST RATES.** VA loans offer low rates and 100% financing backed by the Veteran's Administration.
- 2. NO PRIVATE MORTGAGE INSURANCE (PMI).** Since most mortgage programs require monthly PMI from borrowers with less than 20% down, this is a huge savings for qualified veterans.
- 3. MORE RELAXED CREDIT QUALIFICATION.** Many first time buyers with shorter credit histories may qualify for a loan based on VA guidelines.

There are other perks surrounding VA loan funding. There is no prepayment penalty. The benefit may be used more than once. The funding fee is waived for disabled veterans – and grants are available from the VA to retrofit a home to accommodate a disability. However, the program does have certain eligibility requirements. For example, a home with an unpermitted addition is not eligible for VA loan funding, and VA applicants must have a Certificate of Eligibility to verify their service.

Agents who work effectively with veterans and active-duty service members are already familiar with the perks and conditions of VA loan funding. They are also well versed in the special circumstances surrounding military relocation – such as the short timeframes associated with Permanent Change of Station (PCS) orders, which makes it vital to select a home with strong resale value.

Clearly, for veterans and active military personnel alike, there is value in choosing a real estate professional who appreciates their needs, understands the nuances of the VA loan program, and is skilled in maximizing its benefits. At the same time, a well-prepared agent can close more transactions overall by cultivating a veteran clientele and/or specializing in military relocation.

Whether or not you live and work near a military base, there are several ways to pursue these opportunities:

- 1. EARN A MILITARY RELOCATION PROFESSIONAL (MRP) DESIGNATION.** NAR's MRP certification focuses on educating real estate professionals about working with current and former military service members to find housing solutions that best suit their needs and take full advantage of military benefits and support.
- 2. MAKE IT PART OF YOUR MARKETING STRATEGY.** An informative marketing piece will establish your credentials as a VA loan expert, outline eligibility requirements, and pinpoint the program's key and lesser-known advantages. It is easily mailed or emailed to your client management database and displayed during open houses.
- 3. EXPAND NEW CLIENT OPPORTUNITIES.** Everyone knows someone who is, or was, in military service. Consider making best use of your VA loan program and military relocation expertise to manage a booth at selected community events and/or to pursue speaking opportunities on the subject at service clubs and other organizations.

## HELPING YOU SHINE BRIGHT