



Castle & Cooke
MORTGAGE, LLC



VA Loans for Your Buyers

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What is a VA Loan?

- VA Guaranteed Home Loans are made by private lenders, such as banks or mortgage companies to eligible veterans for the purchase of a home which must be for their own **personal occupancy**.
- The VA guaranty means the lender is protected against loss if you fail to repay the loan. The guaranty replaces the protection the lender normally receives by requiring a down payment or by requiring mortgage insurance, thus allowing the veteran to obtain favorable financing terms.

In Layman's Terms...

What is a VA Loan?

- VA Loans are for Eligible Veterans and Active Duty Service Members to buy or refinance a primary residence.
- There are some great benefits to VA Loans
- There are also some requirements and restrictions

VA Loan Benefits

- 100% Financing – **True \$0 Money Down Loan Program**
- No Mortgage Insurance
- Seller can pay up to 4% in closing costs
- Purchase or Refinance
- All Residential Property Types Accepted – Including Multi-Family
- Loan Limits = NONE

VA Loan Benefits - Purchase

- 100% Financing – True \$0 Money Down Loan Program
- Low Fixed Rates
- No Mortgage Insurance
- Seller Paid or Lender Paid Closing Costs

Sale Price		ENGLEWOOD, CO 80112 \$173,000.00
Loan Terms		
Loan Amount	\$173,000	Can this amount increase after closing? NO
Interest Rate	4%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$825.93	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO
Projected Payments		
Payment Calculation		Years 1-30
Principal & Interest		\$825.93
Mortgage Insurance	+	0
Estimated Escrow <i>Amount can increase over time</i>	+	148.08
Estimated Total Monthly Payment		\$974.01
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$269.08 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: HOMEOWNERS ASSOCIATION [See Escrow Account on page 4 for details. You costs separately.]
Costs at Closing		
Closing Costs	\$2,303.87	Includes \$3,311.20 in Loan Costs + \$1,917.67 in Lender Credits. See page 2 for details.
Cash to Close	-\$933.91	Includes Closing Costs. See Calculating Cash to Close

VA Loan Benefits – Cash-Out Refi

- 100% REFINANCE Available – 100% Cash-Out
- Low Fixed Rates on Cash-Out
- No Mortgage Insurance on Cash-Out

VA Loan Benefits – Streamline Refi

- No Appraisal Required
- No Income or Asset Verification
- Only a Credit Report and Verification of Employment
- Closing Costs Included in the Loan

This customer had a rate of 4.25% and a payment of \$1,355 per month. Saved them .75% and \$140 per month in less than 14 days processing time

Appraised Prop. Value		LITTLETON, CO 80128
Appraised Prop. Value		\$212,445.00
Loan Terms		Can this amount increase after
Loan Amount	\$203,750	NO
Interest Rate	3.500%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$914.93	NO
Prepayment Penalty		Does the loan have these features NO
Balloon Payment		NO
Projected Payments		
Payment Calculation	Years 1-30	
Principal & Interest		\$914.93
Mortgage Insurance	+	0
Estimated Escrow <i>Amount can increase over time</i>	+	300.27
Estimated Total Monthly Payment		\$1,215.20
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$300.27 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Escrow Account on page 4 for details costs separately.</i>
Costs at Closing		
Closing Costs	\$2,064.13	Includes \$1,109.00 in Loan Costs + \$1 in Lender Credits. <i>See page 2 for details</i>
Cash to Close	\$450.94	Includes Closing Costs. <i>See Calculating</i> <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower

VA Loan Benefits – Property Types

- Single Family Homes
- Multi-Family Properties – 2-4 Units – **MUST Live in One of the Units**
- Townhomes
- Condos – Must be on the VA Approved List
- <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>

Condo Report	
Condo Name (ID)	FOX RUN @ CENTENNIAL (002160)
Address	PH 1-2,4 BLDS 1-3 ENGLEWOOD CO 80112 ARAPAHOE
Status	Accepted Without Conditions
Last Update	Unavailable
Request Received Date	10/02/2016
Review Completion Date	10/17/2016

Approved!

NOT Approved!

Condo Report	
Condo Name (ID)	BOSTON COMMONS CONDOS (002521)
Address	ENGLEWOOD CO 80111 ARAPAHOE
Last Update	Unavailable
Request Received Date	11/24/2010
Review Completion Date	Unavailable

Requirements and Restrictions

- Not for everyone – Must be Active Military or an Honorably or General Discharged Veteran
- Must OCCUPY the property
- Must pay the VA Funding Fee – Financed into the Loan
- Have to qualify under normal guidelines – Credit, Income, Assets, Collateral

Must Be Active Military or Honorably or General Discharged Veteran

- Veteran will have a DD214
- Active Military will have signed orders from their commanding officer
- Provide these documents to the Loan Officer and we will get a Certificate of Eligibility confirming that the borrower is eligible for VA Benefits
- Just because they are eligible, does not guarantee an approval

The Veteran MUST Occupy the Property

- VA is for Primary Residences ONLY
- Don't try to skirt around the rules with this one
- Violation can risk the veteran's benefits
- Violation can risk your license

VA Funding Fee

- No Mortgage Insurance – But the VA must be compensated somehow in order to build up reserves for any potential losses
- First Time Use vs. Subsequent Use
- Variations based on Down Payment
- Disabled Borrowers are Exempt

VA Funding Fee – Cont.

Purchase Loans

Type of Veteran	Down payment	Percentage for First time Use	Percentage for Subsequent Use
Regular Military	None	2.15%	3.3%
	5% or more	1.5%	1.5%
	10% or more	1.25%	1.25%
Reserves/National Guard	None	2.3%	3.6%
	5% or more	1.65%	1.65%
	10% or more	1.4%	1.4%

Cash-Out Refinancing Loans:

Note: There are no reduced funding fees for regular refinances based on equity. Reduced fees only apply to purchase loans where a down payment of at least 5 percent is made.

Type of Veteran	Percentage for First Time Use	Percentage for Subsequent Use
Regular Military	2.15%	3.3%*
Reserves/National Guard	2.3%	3.6%*

Type of Loan	Percentage for Either Type of Veteran Whether First Time or Subsequent Use
IRRRLs - aka VA Streamline	.50%

VA Funding Fee – Cont.

- Usually the VA Funding Fee will be FINANCED into the loan
- \$400,000 Purchase Price
- $\$400,000 \times 2.15\% = \$8,600$
- Base Loan Amount = \$400,000 + 2.15% Funding Fee = Total Loan Amount of **\$408,600**
- The Veteran can pay the funding fee out of pocket
- The Seller can pay the funding fee with seller paid closing costs

VA Underwriting Guidelines

- Income – 2 years work history or self-employment – Flexible Debt-to-Income of 50% or greater depending on Residual Income
- Assets – 3 months reserves generally required for \$0 down (unless 700+ credit score) – Down payment can be savings, gift, 401K, IRA, etc.
- Credit – Minimum 580 Fico – No Mortgage Lates in the last 12 months
- Appraisal – Property must be valued at the purchase price or higher and in Average or Better Condition with no safety or soundness issues

VA Appraisal Guidelines

- Timeframes? – Depends on the market – Ordered through the VA and right now approximately 7-10 Business Days – Can vary significantly depending on area, market demand, etc.
- Cost - \$850 for a SFR + \$225 for a re-inspection if necessary
- VA Minimum Property Requirements
- https://benefits.va.gov/WARMS/docs/admin26/pamphlet/pam26_7/ch12.doc
- Very Good 20-page document that will tell you nothing and answer absolutely 0 of your questions
- Ultimately it is up to the appraiser to determine if the house is safe, habitable and meets the minimum property requirements

VA Appraisal Guidelines – Cont.

- Can the home be occupied immediately?
- Does it have functioning utilities?
- Does it have the requirements of living space? ie. Bathrooms? Kitchen? Egress in Bedrooms? Functioning Windows? Etc.
- Peeling paint for a property prior to 1978?
- Exposed Wiring? Broken Windows? GFCI Outlets? Smoke Detectors?
- Can I put a 2-year-old toddler down in the middle of the house and they will be safe? If Yes, then you're **probably** OK. If No, then you're **probably not** OK.

VA Loan Process

1. Apply for a loan and get PreQualified and then PreApproved as normal
2. Veteran provides DD214 or Signed Orders during the PreApproval Process and lender orders the Certificate of Eligibility
3. Search for homes and under contract
4. Inspection
5. Appraisal
6. Final Underwriting & CTC
7. Closing


**BEWARE of Non-Delegated
VA Lenders**



Castle & Cooke Average Timeframe for VA = **28 days**

Industry Average = 45 days

Make sure you discuss with the lender and write your contract appropriately



Questions to Ask Your VA Lender

- How long have you been a lender?
- How long have you been with your company?
- How many VA Loans have you closed in the past 12 months?
- How long is your VA appraisal turn-time?
- Are you a Delegated VA Lender?

VA Benefits to Agents

- Easy to Prospect – Network with the VFW, VA, etc.
- Normal 30-day transaction time
- Requirements similar to FHA, so most homes in the metro area qualify
- Buyers are THRILLED after closing – No Money Down, No Mortgage Insurance and a super-low rate!

Number 1 Reason Why You Should Focus on VA Buyers...

REFERRALS!

Every closed loan generates a minimum of 1 referral within 90 days of the closing.

At Castle & Cooke Mortgage we offer:

- Conventional
- FHA
- VA
- USDA
- Investment Property Loans
- Purchases
- Refinances
- First Time Home Buyers
- Repeat Home Buyers
- Second Home Owners

We do residential financing for all types of properties and all types of customers. We can help you and your client with your primary residence loans, investment properties, any other types of residential financing that you or your clients may need.



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Why Use First Alliance Title

When it comes to service, we believe that proactive communication is absolutely critical to successful closings. We believe that real estate closings should involve a personal touch and not be treated as mere business transactions.

We also believe that the experience of homeownership, whether selling or buying, is a special process. Our commitment to customer service originates from the core belief that the transaction is incredibly important and should be celebrated.

Why Work with Jerrod Paterson

- 30 Years in the Real Estate Industry
- Real Estate Investor
- Love to help agents grow their business through accountability calls
- Love to help you grow your database

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