

VA Loans

VA Loans Are Popular With Military Personnel

Military personnel looking at purchasing a home shouldn't overlook a home loan from the U.S. Department of Veterans Affairs. VA loans don't require a down payment and are widely available.

VA perks

Another perk to VA loans is the reduced closing costs, origination fees, and appraisal fees that lenders are allowed to charge. VA loans also don't have any private mortgage insurance fees attached. VA guidelines don't allow lenders to charge PMI to homeowners, resulting in significant savings to homeowners.

Who's eligible?

Essentially, military veterans, active-duty service members, and reservists are eligible for VA loans. Check the VA Web site, www.homeloans.va.gov, for complete eligibility guidelines. VA loan applicants also must get a certificate of eligibility, which includes specific information about military service and discharge, before applying for a loan.

One small string

There is one small string attached to VA loans. From 1982 on, Congress approved a one-time fee on VA loans. These fees can vary from 1¼ percent to 3 percent. A down payment of at least 5 percent will result in a lower fee.