



D.J. ILES

# VA HOME LOANS

# THE VA HOME LOAN GUARANTY PROGRAM

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- Designed to help veterans finance the purchase of a home
- Encourages lenders while also protecting the veteran
- It is NOT a VA-backed down payment, however...



# REQUIRED BY LAW FOR VA LOAN

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- Eligible veteran
- Eligible purpose
- Occupancy
- Income & Financial Obligations
- Credit Risk



# SERVICE REQUIREMENTS

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- Active Duty – Continuous active status for at least 90 days in wartime or 181 days in peacetime and must be under honorable conditions
- Selected Reserve – Reservists and National Guard members ordered to active duty
- NOTE\* Reservists and National Guard members who never served on active duty may still qualify if:
  - Honorable Discharge
  - Placed on retired List
  - Transferred to element of the Ready Reserve or
  - Continue to serve in the Selected Reserve



# SURVIVING SPOUSES

- **Unremarried spouse of veteran who died while in service**
- **Unremarried spouse of veteran who died of SC disability**
- **Spouse of servicemember who is MIA or POW**



# CERTIFICATE OF ELIGIBILITY (COE)

- How to get one
- Use VA Form 26-1880
- Can I use it more than once?

**VA** Department of Veterans Affairs **CERTIFICATE OF ELIGIBILITY**  
FOR LOAN GUARANTY BENEFITS

REFERENCE NUMBER: 3588850

NAME OF VETERAN: JOE SOLDIER SERVICE NUMBER: XXX-XX-6789  
SOCIAL SECURITY NUMBER: XXX-XX-6789

ENTITLEMENT CODE: 05 BRANCH OF SERVICE: Navy FUNDING FEE: NON EXEMPT

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

THIS VETERAN'S BASIC ENTITLEMENT IS \$36,000\*  
TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$0\*

The veteran is eligible for the benefits of Chapter 37, Title 38, U.S. Code, subject to any condition(s) cited below. Basic entitlement for veterans who have not previously used home loan benefits is \$36,000. Additional entitlement is available for most loans in excess of \$144,000. In such cases, the entitlement amount is 25% of the VA loan limit for the county where the property is located. VA county loan limits are adjusted annually, and the current limits are available at [www.benefits.va.gov/homeloans](http://www.benefits.va.gov/homeloans).

Issued By: \_\_\_\_\_ Date: \_\_\_\_\_

**CONDITIONS**

Subsequent Use Funding Fee- Entitlement code of '9' indicates previously used entitlement has been

# KINDS OF LOANS

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- **Direct Loans**
- **Refinancing**
- **Farm Loans**
- **Note\* Direct Loans for home on Tribal Lands**



# GRANTS

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- **Specially Adapted Housing (SAH)**
- **Special Housing Adaptation (SHA)**
- **Home Improvement and Structural Alterations (HISA)**





# **SPECIALLY ADAPTED HOUSING (SAH)**

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- **Eligibility**

- **Loss (or loss of use) of both LEs**
- **Bilateral blindness PLUS loss (or loss of use) of one LE, or**
- **Loss (or loss of use) of one LE with residuals of organic disease or one UE**
- **Loss (or loss of use) of both UEs (at or above the elbows), or P & T due to severe burns**

- **Reason (4 Plans)**

- **To construct a home on land to be acquired for that specific purpose**
- **To build home on land already owned if suitable for SAH**
- **To remodel existing home if it can be made suitable for SAH**
- **To apply against mortgage of SAH home that was purchased without VA grant**

# SPECIAL HOUSING ADAPTATION (SHA)

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## Eligibility:

- **Bilateral blindness with 5/200 visual acuity or less**
- **Anatomical loss (or loss of use) of both hands, or**
- **P & T is due to severe burn injury**

## Reason (5 Plans)

- **To adapt house veteran plans to buy**
- **To adapt house family plans to buy**
- **To adapt house veteran already owns**
- **To adapt house owned by family**
- **To purchase house that has already been specially adapted with necessary features for the veteran**  
**(veteran must reside in home for all)**

# HOME IMPROVEMENT AND STRUCTURAL ALTERATIONS (HISA)

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- May be used by **SC** or **Non-SC** veterans
- May be granted along with SAH or SHA
- VA Form 10-0103
- **Temporary Residence Adaptation (TRA)**
- SAH, SHA, TRA all use VA Form 26-4555
- **USED FOR:**
  - Allowing entrance/exit to home
  - Improving kitchen and bathroom access
  - Handrails
  - Lowered electrical outlets and switches
  - Improving plumbing/electrical work for dialysis patients
  - Improving paths or driveways

# VETERAN'S MORTGAGE LIFE INSURANCE

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- Available to most veterans who receive a Special Adapted Housing (SAH) or a Special Housing Adaptation (SHA) grant.
- Covers the unpaid principal on the mortgage loan not to exceed \$90,000
- Can only be issued to veterans 69 years old or YOUNGER, but once issued, it will remain in effect regardless of age for the life of the mortgage (indebtedness).
- VA Form 29-8636 'Veterans Mortgage Life Insurance Statement' to apply for VMLI
- Questions on VMLI can be directed to the Insurance Center at 1-800-669-8477

# REFERENCES

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- 2020 VSO Manual (January 2021)
- 38 CFR 36.42
- USCS 2101 – 2104
- va.gov (veteran benefits)