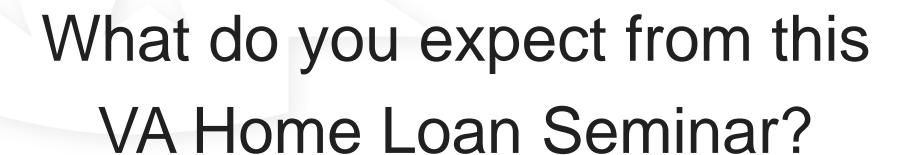
## Presented by Tony Dias

Veterans United Home Loans of Hawaii is a VA approved lender that is not affiliated with any government agencies, including the VA. We are a private company who has made educating veterans about the VA Home Loan Benefit and utilizing it our mission.









# Why would a company spend the time and resources to conduct these

Free VA Home Loan Seminars?



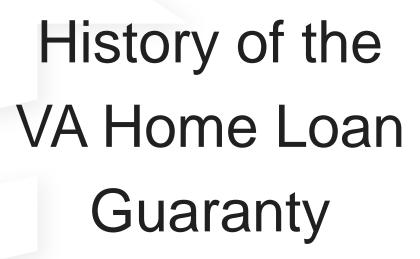


Your VA Home Loan Benefit.

When?..... Who?.....How?

WHY?







## VA Eligibility

Are you eligible for a VA loan?





A veteran is eligible for VA home loan benefits if he or she served on active duty in the Army, Navy, Air Force, Marine Corps, or Coast Guard after September 15, 1940, and was discharged under conditions other than dishonorable after either

90 days or more, any part of which occurred during wartime, or 181 continuous days or more (peacetime).

2 Year Requirement: A greater length of service is required for veterans who

enlisted (and service began) after September 7, 1980, or entered service as an officer after October 16, 1981.

These veterans must have completed either

24 continuous months of active duty, or the full period for which called or ordered to active duty, but not less than 90 days (any part during wartime) or 181 continuous days (peacetime).





If you are not otherwise eligible and you have completed a total of 6 years in the Selected Reserves or National Guard (member of an active unit, attended required weekend drills and 2-week active duty for training) and

Were discharged with an honorable discharge, or

Were placed on the retired list, or

Were transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service characterized as honorable service, or Continue to serve in the Selected Reserves

Individuals who completed less than 6 years may be eligible if discharged for a service-connected disability.





#### You May also be determined eligible if you:

Are an unremarried spouse of a veteran who died while in service or from a service connected disability, or

Are a spouse of a serviceperson missing in action or a prisoner of war

**Note**: Also, a surviving spouse who remarries on or after attaining age 57, and on or after December 16, 2003, may be eligible for the home loan benefit. However, a surviving spouse who remarried before December 16, 2003, and on or after attaining age 57, must apply no later than December 15, 2004, to establish home loan eligibility. VA must deny applications from surviving spouses who remarried before December 6, 2003 that are received after December 15, 2004.



OMB Control No. 2900-0086

								spondent Burden: 15 minutes
M Department of Voterane A	faire			A USE ONL				PPLICATION TO:
Department of Veterans Affairs  REQUEST FOR A CERTIFICATE OF ELIGIBILITY			ITY	Attn: COI P. O. Box Decatur, (		ttn: COE (26 . O. Box 100 ecatur, GA	x 100034 , GA 30031	
NOTE: Please read information on reverse  1. NAME OF VETERAN (First, Middle, Last)	before comple	ting this fo	orm. If addition	al space is re	quired, L SECUR	attach a sep RITY NUMBER	arate s	sheet.
1. NAME OF VETERAN (First, Middle, 1281)		522,620,000		10-3000000000000				
4A. DID YOU SERVE UNDER ANOTHER NAME?  YES NO (If "Yes," complete Item 4B)	4B. NAME(S)		NG MILITARY SE		t from nan	ne in Item 1)		
5. DAYTIME TELEPHONE NUMBER		6. E-N	IAIL ADDRESS (If	applicable)				
7A. ADDRESS (Number and street or rural route, city or l	P.O., State and ZIP C	Code)	7B. MAIL CERTI to be mailed to	FICATE OF ELIC o an address differ				the Certificate is
8A. WERE YOU DISCHARGED, RETIRED, OR SEPA	RATED FROM SE	RVICE BEC	AUSE OF DISABIL	ITY? 8B.	VA CLA	IM NUMBER (	f known)	
MILITARY SERVI	CE (SEE INSTR	UCTIONS	FOR PROOF O	F SERVICE O	N THE N	IEXT PAGE)		
9A. ARE YOU CURRENTLY ON ACTIVE DUTY? (If y	ou currently serving	on active duty	, leave the "Date Se,	parated" field blan	tk.)			
IMPORTANT: Please provide your dates of service. In many cases eligibility can be established based on data in VA systems. However, it is recommended that proof of service be provided, if readily available. Proof of service is required for persons who entered service after September 7, 1980 and were discharged after serving less than 2 years.	BRANCH OF SERVICE		OATE ENTERED	ENTERED DATE SEPARATED		OFFICER OR ENLISTED		SERVICE NUMBER (If different from Social Security Number)
9B. ACTIVE SERVICE - Do not include any periods of Active Duty for Training or Active Guard Reserve								
service. Do include any activation for duty under Title 10 U.S.C. (e.g. Reserve or Guard unit mobilized.)		_			-			
9C. RESERVE OR NATIONAL GUARD SERVICE		_			_			
Include any periods of Active Duty for Training (ADT) or Active Guard Reserve service. Do not		, , , , , , , , , , , , , , , , , , ,						
include any activation for duty under Title 10 U.S.C. (e.g. Reserve or Guard unit mobilized.)					$\rightarrow$			
PREVIOUS VA LOANS (SEE INSTRUCTIO	NS ON THE NEX	XT PAGE -	Attach a senar	ate sheet if in	formatic	on for all hor	mes wi	II not fit in Item 10)
10A. DO YOU NOW OWN ANY HOME(S) PURCHAS REFINANCED WITH A VA-GUARANTEED LOA  YES (If "Yes." complete Items 10B through 10D)	ED OR 10B. DA		10C. STREET					ITY AND STATE
NO (If "No," skip to Item 14)  NOT APPLICABLE (NA) - I HAVE NEVER OBTAI  VA-GUARANTEED HOME LOAN (If "NA," skip to								
11A. ARE YOU APPLYING FOR THE ONE-TIME ONLY RESTORATION OF ENTITLEMENT TO PURCHASE ANOTHER HOME?  ANOTHER HOME?  YES NO (If "Yes," complete lems 11B through 11D)				11D. CITY AND STATE				
12A. ARE YOU APPLYING FOR A RESTORATION OF ENTITLEMENT TO OBTAIN A REGULAR (CASH-OUT) REFINANCE ON YOUR CURRENT HOME?					12D. CITY AND STATE			
■ YES         ■ NO. (If "Sex." complete Items 12B through 12D)           13A. ARE YOU REFINANCING AN EXISTING VAL COAN TO OBTAIN A LOWER INTEREST RATE WITHOUT RECEIVING ANY CASH PROCEEDING (IRRRL)?         13B. DATE OF LOAN (Month and Year)           RECEIVING ANY CASH PROCEEDING (IRRRL)?         (Month and Year)           YES         NO. (If "Sex." complete Items 13B through 13D)				13D. CITY AND STATE				
YES NO (If "Yes," complete Items 13B throug  I CERTIFY THAT the statements in this document		lete to the b	est of my knowled	lge.				
14A. SIGNATURE OF VETERAN (Do NOT print)	and ethip		any movies			14B. DATE S	SIGNED	
FEDERAL STATUTES PROVIDE SEVERE PROONSPIRACY PURPOSED TO INFLUENCE	ENALTIES FOR THE ISSUANCE	FRAUD, IN	ITENTIONAL MI BUARANTY OR	SREPRESEN'	TATION, BY THE	, CRIMINAL ( SECRETAR)	CONNI Y OF V	VANCE OR ETERANS AFFAIRS
FOR VA USE ONL	Y (Please do no	t write bel	ow this line)			DATE RETU	RNED	
REASON(S) FOR RETURN								
VA FORM <b>26-1880</b>	SUPERSEDI	ES VA FOR	d 26-1880, MAR 2	011,				



# Request for Certificate of Eligibility





Who can finance 100%

A veteran alone
A veteran and spouse
A veteran and another veteran (both occupying the property as their primary residence)





Must be owner occupied

The veteran or their spouse must occupy the property as their primary residence for a minimum of 1 year.





### Water Catchment Systems

The Hawaii State Department of Health has determined that water catchment systems are not recognized as potable water, and there is no government agency oversight of these systems in Hawaii. Properties served by water catchment systems, as the source of domestic water, do not meet VA Basic Minimum Property Requirements (MPRs) requiring, "a continuing supply of safe and portable water for drinking and other household uses" and therefore are not eligible for VA appraisal.





Volcano Zones

Volcano Zones 1 and 2 are not allowed.





### Cesspools and Septic Tanks

For both types of water Systems – appraiser must provide comment as follows:

Water system is typical for the area Does not adversely affect marketability





Home must be in good condition

No tear downs

Fixer uppers need to be completed prior to closing





Home must be completely permitted

All improvements must be permitted





Condo's and CPR's must be VA approved.

Go to

https://vip.vba.va.gov/portal/VBAH/VBAHome/condopuds earch

To search for approved VA condos.





#### Leasehold Estates

The total lease term must exceed the mortgage term by 14 years, and the mortgage term must not exceed the fixed rent period of the lease.

Hawaiian Homes is part of the Native American Act and those loans must be done directly through VA. Contact David Saito at 433-0480 or <a href="mailto:david.saito@va.gov">david.saito@va.gov</a> at the Veterans Administration





## VA Loan Benefits

What are the benefits of a VA loan?





No Down Payment is required. *Up to a total loan amount of \$750,000.00 including financed funding fee on purchase transactions, in Honolulu County, all other counties in Hawaii \$625,500.00* 

The veteran can finance 100% with No private mortgage insurance (PMI) conventional loans require mortgage insurance on loans over 80% of the appraised value





#### **Closing Cost**

The Veteran is allowed to borrow the funds needed for closing costs associated with the process and closing of the mortgage. The Veteran must also be able to qualify with the payment for this loan also. The Veteran cannot borrow monies for a down payment however.

The Veteran can receive gift or grant monies for the entire amount to cover closing costs.

The seller can pay all or part of the closing costs associated with the process and closing of the mortgage plus 4% in seller concessions.





The Veteran pays a one time fee to the Veteran's Administration called a Funding Fee. This fee is usually financed into the loan. When financed, the loan amount can exceed the sales price of the property. The Funding Fee varies depending on previous usage, amount of down payment (if any) and eligibility status.

No pre-payment penalty

Ability to streamline refinance from a VA to a VA





Veterans allow to refinance Conventional, subprime, or adjustable rate mortgages up to 90% of appraised value up to \$750,000.00 including VA Funding Fee in Honolulu County, all other counties in Hawaii \$625,500.00

Veteran is allowed to add to the loan amount up to \$6000.00 for energy efficient upgrades. (purchase or refinance)

VA Jumbo Loan 25% down on the difference between \$750,000.00 (Honolulu County, all other counties in Hawaii \$625,500.00 ) \$417,000.00 (mainland) and sales price up to \$1,500,000.00



## **VA Myths**

What have you been told about VA Loans?





I can only use my VA benefit for my first home.

Not true! Once the current VA loan is paid off, another VA loan can be originated. The VA Funding Fee will be higher if there is no down payment but another home can be purchased with no money down!

The Seller won't accept my offer because he/she has to pay the points. Not true! Even though the Seller in a VA transaction is allowed to pay for all costs associated with the sale, there is no longer a requirement that the Seller must pay any points for the Veteran's mortgage loan.

I can only buy a house up to \$240,000.00 and still use my VA benefit. Not true! In fact, due to recent legislation, you can now borrow up to \$750,000.00 in Honolulu County, all other counties in Hawaii \$625,500.00 with no down payment (including any financed VA Funding Fee) as long as you have full eligibility.





My Spouse's income can't be used to help qualify for the home we want. Not true! A spouse's income can be used as long as it is stable and likely to continue. (like any other loan)

I cannot let someone assume my VA mortgage because they are not a veteran. Not true! Anyone can assume a VA loan as long as they are considered credit worthy and qualify for the payments. The only catch is that if a Non-Vet assumes a VA loan, a portion of the Veteran's eligibility will remain tied to the loan until it is paid off. If another Veteran assumes a VA loan, the new Vet's eligibility (as long as it's sufficient) will be substituted for the original Vet's eligibility. Therefore, the original Vet's eligibility is restored and they can purchase another home with a VA guaranteed loan.





I must pay the Funding Fee even though I have a VA Disability. Not true! If the Veteran has a qualified VA Disability they are exempt from paying the Funding Fee.

I have a partial down payment and I'm told I must still pay the entire Funding Fee.

Not true! If the Veteran can put down at least 5% of the Purchase Price/Appraised Value, then the Funding Fee is reduced. This would also apply if you are a subsequent user of the VA Benefit or a Reservist or National Guardsman.

I don't have a full two year's of service so I'm told that I'm not eligible. Not true! There are a number of events where the two year requirement is not needed.





What is the VA funding fee?





#### **Purchase Loans**

**Note**: On November 21, 2011, the President signed H.R. 674. Section 265 of the law raises funding fees to the pre-November 18, 2011 levels. The fees specified in Section 265 are valid through September 30, 2016.

Type of Veteran	Down Payment	First Time Use	Subsequent Use for loans
Regular Military	None 5% or more (up to 10%) 10% or more	2.15% 1.5% 1.25%	3.3% 1.5% 1.25%
Reserves/ National Guard	None 5% or more (up to 10%) 10% or more	2.4% 1.75% 1.5%	3.3% 1.75% 1.5%





## VA Funding Fee vs. PMI

\$500,000.00 home 720 FICO Score lower scores are worst

Conventional 5% down Financing \$475,000.00 P&I \$2549.90 PMI 518.00 Total \$3067.90 \$25,000.00 Down VA \$0 Down
Financing \$510,750.00
P&I \$2741.82
PMI 0.00
Total \$2741.82





#### **Cash-Out Refinancing Loans**

Type of Veteran	Percentage for First Time Use	Percentage for Subsequent Use
Regular Military	2.15%	3.3%
Reserves/ National Guard	2.4%	3.3%





### **Other Types of Loans**

Type of Loan	Percentage for either Type of Veteran Whether First Time or Subsequent Use
Interest Rate Reduction Loans (Streamline refinance)	.50%
Loan Assumptions	.50%





## Your BAH Entitlement

Just how valuable is it?



#### BAH Example for married Veteran with One Dependent using 2013 BAH Table

Rank	Year In Rank	BAH per Month	BAH per Year	BAH for years in Rank
E-2 (San Diego)	2	\$1854.00	\$22,248.00	\$44,496.00
E-3 (San Diego)	2	\$1854.00	\$22,248.00	\$44,496.00
E-4 (Honolulu)	4	\$2172.00	\$26,064.00	\$104,256.00
E-5 (Millington)	4	\$1320.00	\$15,840.00	\$63,360.00
E-6 (Honolulu)	4	\$2664.00	\$31,968.00	\$127,872.00
E-7 (Yuma)	4	\$1410.00	\$16,920.00	\$67,680.00
E-8 (Honolulu)	5	\$3021.00	\$36,252.00	\$181,260.00
	25 Years	Total BAH Received		\$633,420.00





That equates to \*\$791,775.00 taxable dollars.

What are you going to do with your BAH?

\*It is recommended you consult with a professional Tax Preparer





# Why don't most Active Duty personnel buy when they are here in Hawaii?









# Prices of Homes in Hawaii are too High.



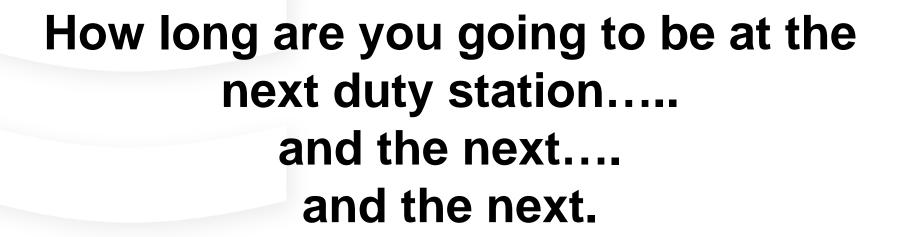


In 1994 the median sales price was **\$360,000.00** 

In 2007 the median sales price was **\$643,500.00** 









# When then are you going to buy?



### If my Dad would of bought in 1985 the median sales price was \$158,600.00

In 1994 the median sales price was **\$360,000.00** 

In 2007 the median sales price was **\$643,500.00** 

Above information is based on statistical information provided in printout from the Honolulu Board of Realtors.









#### Advantage 1:



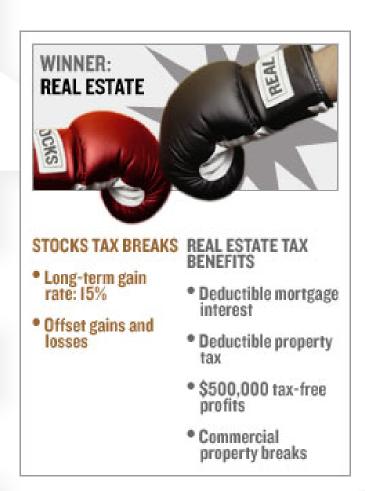
#### THE POWER OF LEVERAGE

- Home Price: \$500,000
- Downpayment: \$100,000 (20%)
- Price gain: 10% (to \$550,000)
- \* Your return: 50% (\$100,000 to \$150,000





#### Advantage 2:





#### Example for a E-5

Base Pay is \$2247.30
Non-taxable BAS, BAH and COLA is \$3025.46
Taxable Yearly income \$26967.76
Owner occupant home owner monthly interest of \$1800 per month =\$21600.00

Net Taxable income before other deductions \$5367.76

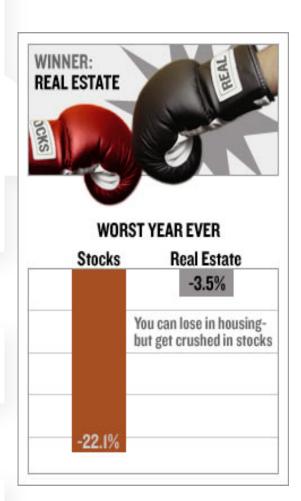
\*How much taxes do you pay on \$5367.76?

\*It is recommended you consult a professional Tax Preparer.





#### Advantage 3:





### Steps to a successful VA Loan Closing



Step 1: Select a loan officer that you like and trust that also has a tremendous knowledge of your VA Home Loan benefit.



Step 2: Get preapproved. (There is a big difference between preapproval and prequalified) Here is a list of items you will need to get preapproved.

A signed completed Request for Certificate of Eligibility (if you do not currently have one) DD-214 and/or Points Total for Reservist/Guard

W-2's for the past 2 years

Pay stubs (LES) for 1 month

2 months Bank statements, retirement statements, IRA's, CD's, etc....

2 years tax returns

Bankruptcy Documents (if applicable)

Divorce Decree (if paying child support)





Step 3: We input all your information, pull a credit report from all three credit bureaus, run VA's loan analysis to ensure you budget for the amount requesting and then run our in house program to receive a computer approval. (If we do not get a computer approval we have the ability to do a manual approval on a case by case basis)



Step 4: Once we have an approval you then choose a Realtor (one who has a tremendous knowledge in VA loans) to help you find a property, once you found a property help you write up an offer on what is called the purchase contract.

Step 5: Once you get an offer accepted on a property we do your official loan application with the property on it.





Step 6: Your file is then turned into the processor, who then verifies that everything was inputted correctly, makes a list of outstanding conditions on your loan. The processor also sends your electronic file to VA to open a case number and assign an appraiser. The processor also sends your electronic file to the escrow company so that they may order the documents needed to transfer ownership from the seller over to you.





Step 7: Once the appraiser gets their report back to VA. VA will review it and then assign a NOV (notice of value), which we use as the appraised value.



Step 8: Once we receive the NOV (it must be at or higher than sales price) and everything else on the condition list is completed, the underwriter reviews the complete file and gives us Final Loan Approval, we then order all your closing documents.





Step 9: We will setup a time and date to sign your documents, a few business days later we will fund your loan and the next business day after that your transaction records and you own your own home.



Once you get an accepted offer on the property you have picked, all the rest of the steps can take place in about 45 days.



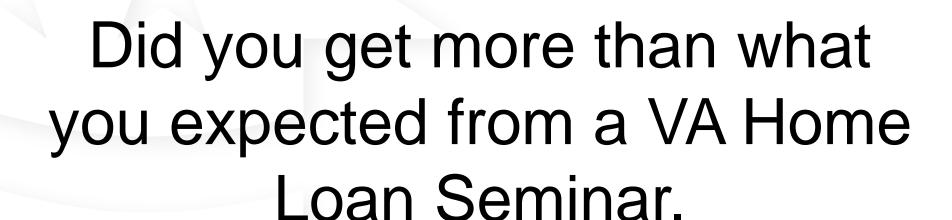
### Questions and Answers



### I have a couple questions for you.

#### Was this worth your time?









If so, please help spread the word about the seminars and help us educate as many veterans as possible before they enter the market.





#### Thank you for coming!

# Please visit us at www.VeteransUnitedHawaii.

