



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.



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What do you expect from this
VA Home Loan Seminar?



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?



History of the VA Home Loan Guaranty



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VA Eligibility

Are you eligible for a VA loan?



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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).



Selected Reserves or National Guard

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.



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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.



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 Department of Veterans Affairs		FOR VA USE ONLY COE REF. NO.	MAIL COMPLETED APPLICATION TO: Atlanta Regional Loan Center Attn: COE (262) P. O. Box 100034 Decatur, GA 30031		
REQUEST FOR A CERTIFICATE OF ELIGIBILITY					
NOTE: Please read information on reverse before completing this form. If additional space is required, attach a separate sheet.					
1. NAME OF VETERAN (First, Middle, Last)		2. DATE OF BIRTH	3. SOCIAL SECURITY NUMBER		
4A. DID YOU SERVE UNDER ANOTHER NAME? <input type="checkbox"/> YES <input type="checkbox"/> NO (If "Yes," complete Item 4B)	4B. NAME(S) USED DURING MILITARY SERVICE (If different from name in Item 1)				
5. DAYTIME TELEPHONE NUMBER		6. E-MAIL ADDRESS (If applicable)			
7A. ADDRESS (Number and street or rural route, city or P.O., State and ZIP Code)		7B. MAIL CERTIFICATE OF ELIGIBILITY TO: (Complete ONLY if the Certificate is to be mailed to an address different from the one listed in Item 7A.)			
8A. WERE YOU DISCHARGED, RETIRED, OR SEPARATED FROM SERVICE BECAUSE OF DISABILITY? <input type="checkbox"/> YES <input type="checkbox"/> NO		8B. VA CLAIM NUMBER (If known)			
MILITARY SERVICE (SEE INSTRUCTIONS FOR PROOF OF SERVICE ON THE NEXT PAGE)					
9A. ARE YOU CURRENTLY ON ACTIVE DUTY? (If you currently serving on active duty, leave the "Date Separated" field blank) <input type="checkbox"/> YES <input type="checkbox"/> NO					
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	DATE 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 (ADI) 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.)					
PREVIOUS VA LOANS (SEE INSTRUCTIONS ON THE NEXT PAGE - Attach a separate sheet if information for all homes will not fit in Item 10)					
10A. DO YOU NOW OWN ANY HOME(S) PURCHASED OR REFINANCED WITH A VA-GUARANTEED LOAN? <input type="checkbox"/> YES (If "Yes," complete Items 10B through 10D) <input type="checkbox"/> NO (If "No," skip to Item 14) <input type="checkbox"/> NOT APPLICABLE (NA) - I HAVE NEVER OBTAINED A VA-GUARANTEED HOME LOAN (If "NA," skip to Item 14)		10B. DATE OF LOAN (Month and Year)	10C. STREET ADDRESS	10D. CITY AND STATE	
11A. ARE YOU APPLYING FOR THE ONE-TIME ONLY RESTORATION OF ENTITLEMENT TO PURCHASE ANOTHER HOME? <input type="checkbox"/> YES <input type="checkbox"/> NO (If "Yes," complete Items 11B through 11D)		11B. DATE OF LOAN (Month and Year)	11C. STREET ADDRESS	11D. CITY AND STATE	
12A. ARE YOU APPLYING FOR A RESTORATION OF ENTITLEMENT TO OBTAIN A REGULAR (CASH-OUT) REFINANCE ON YOUR CURRENT HOME? <input type="checkbox"/> YES <input type="checkbox"/> NO (If "Yes," complete Items 12B through 12D)		12B. DATE OF LOAN (Month and Year)	12C. STREET ADDRESS	12D. CITY AND STATE	
13A. ARE YOU REFINANCING AN EXISTING VA LOAN TO OBTAIN A LOWER INTEREST RATE WITHOUT RECEIVING ANY CASH PROCEEDS (RRRL)? <input type="checkbox"/> YES <input type="checkbox"/> NO (If "Yes," complete Items 13B through 13D)		13B. DATE OF LOAN (Month and Year)	13C. STREET ADDRESS	13D. CITY AND STATE	
I CERTIFY THAT the statements in this document are true and complete to the best of my knowledge.					
14A. SIGNATURE OF VETERAN (Do NOT print)			14B. DATE SIGNED		
FEDERAL STATUTES PROVIDE SEVERE PENALTIES FOR FRAUD, INTENTIONAL MISREPRESENTATION, CRIMINAL CONNIVANCE OR CONSPIRACY PURPOSED TO INFLUENCE THE ISSUANCE OF ANY GUARANTY OR INSURANCE BY THE SECRETARY OF VETERANS AFFAIRS					
FOR VA USE ONLY (Please do not write below this line)			DATE RETURNED		
REASON(S) FOR RETURN					



Request for Certificate of Eligibility



Rules for VA Home Loans

Who can finance 100%

A veteran alone

A veteran and spouse

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



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Rules for VA Home Loans

Must be owner occupied

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



Rules for VA Home Loans

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.



Rules for VA Home Loans

Volcano Zones

Volcano Zones 1 and 2 are not allowed.



Rules for VA Home Loans

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



Rules for VA Home Loans

Home must be in good condition

No tear downs

Fixer uppers need to be completed prior to closing



Rules for VA Home Loans

Home must be completely permitted

All improvements must be permitted



Rules for VA Home Loans

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

Go to

<https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudssearch>

To search for approved VA condos.



Rules for VA Home Loans

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 david.saito@va.gov 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***



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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.



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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.



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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.



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VA Funding Fee

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	2.15%	3.3%
	5% or more (up to 10%)	1.5%	1.5%
	10% or more	1.25%	1.25%
Reserves/ National Guard	None	2.4%	3.3%
	5% or more (up to 10%)	1.75%	1.75%
	10% or more	1.5%	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



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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





Total BAH spent over 25 years ***\$633,420.00.00**
Tax free!

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?



FEAR?

False, Evidence, Appearing, Real



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Prices of Homes in Hawaii
are too High.



Median Sales Prices

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

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



I am only going to be here
3 years.



**How long are you going to be at the
next duty station.....
and the next....
and the next.**



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**When then are you going
to buy?**



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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.



3 Major Advantage of Real Estate vs. Stocks



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)



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Advantage 2:



STOCKS TAX BREAKS

- Long-term gain rate: 15%
- Offset gains and losses

REAL ESTATE TAX BENEFITS

- Deductible mortgage interest
- Deductible property tax
- \$500,000 tax-free profits
- Commercial property breaks





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.



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Questions and Answers



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I have a couple questions for
you.

Was this worth your time?



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Did you get more than what
you expected from a VA Home
Loan Seminar.



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.com



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