

EVERYTHING YOU NEED TO KNOW ABOUT THE VA LOAN IN TEXAS

WELCOME TO YOUR ULTIMATE GUIDE TO PURCHASING A HOME IN TEXAS USING THE VA LOAN! WHETHER YOU'RE A FIRST-TIME BUYER OR A RETURNING HOMEOWNER, THIS GUIDE SIMPLIFIES THE VA LOAN PROCESS, COVERING ELIGIBILITY, BENEFITS, AND KEY STEPS TO HOMEOWNERSHIP.



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What is a VA Loan?

A VA Loan is a government-backed mortgage program designed to help veterans, active-duty service members, and eligible surviving spouses become homeowners. Guaranteed by the U.S. Department of Veterans Affairs (VA), this loan provides exclusive benefits that make buying a home more accessible and affordable compared to conventional loans.

Key Benefits of a VA Loan

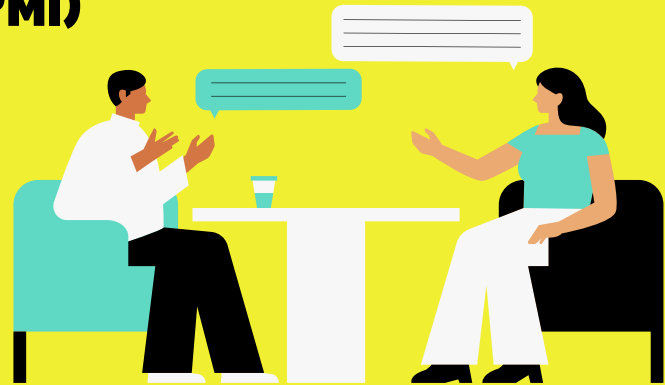


\$0 Down Payment

Unlike conventional loans that require 5-20% down, VA Loans allow 100% financing, making homeownership possible without upfront costs.

No Private Mortgage Insurance (PMI)

Conventional and FHA loans require PMI if you put down less than 20%, which can add hundreds of dollars to your monthly payment. With a VA Loan, you save money by skipping PMI altogether.



Competitive Interest Rates

VA-backed loans often have lower interest rates than conventional loans, meaning you'll pay less over time on your mortgage.

What is a VA Loan?

Key Benefits of a VA Loan

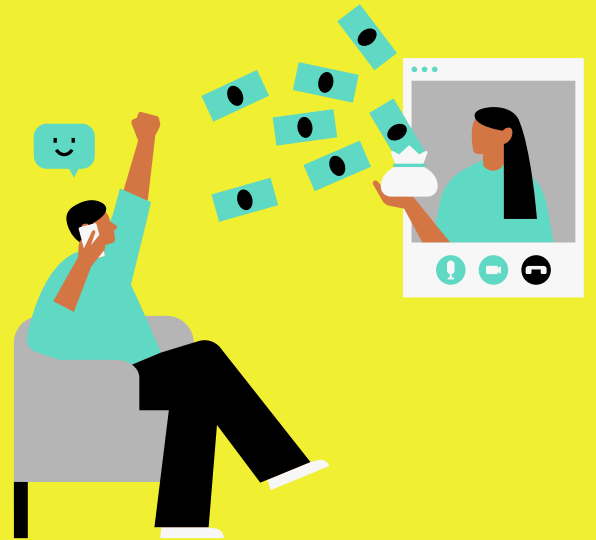


Flexible Credit Requirements

While conventional loans may require higher credit scores, VA Loans offer more lenient credit requirements, making it easier to qualify even if your credit isn't perfect (620+ is recommended, but lower scores may still qualify).

Limited Closing Costs

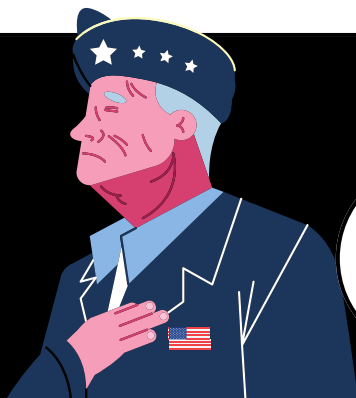
The VA restricts what lenders can charge, keeping closing costs lower than most conventional loans. Plus, sellers can pay some or all of your closing costs, further reducing your out-of-pocket expenses.





Active Duty Military: Served at least 90 days during wartime or 181 days during peacetime.

National Guard/Reserves: Served at least six years or 90 consecutive days if activated.

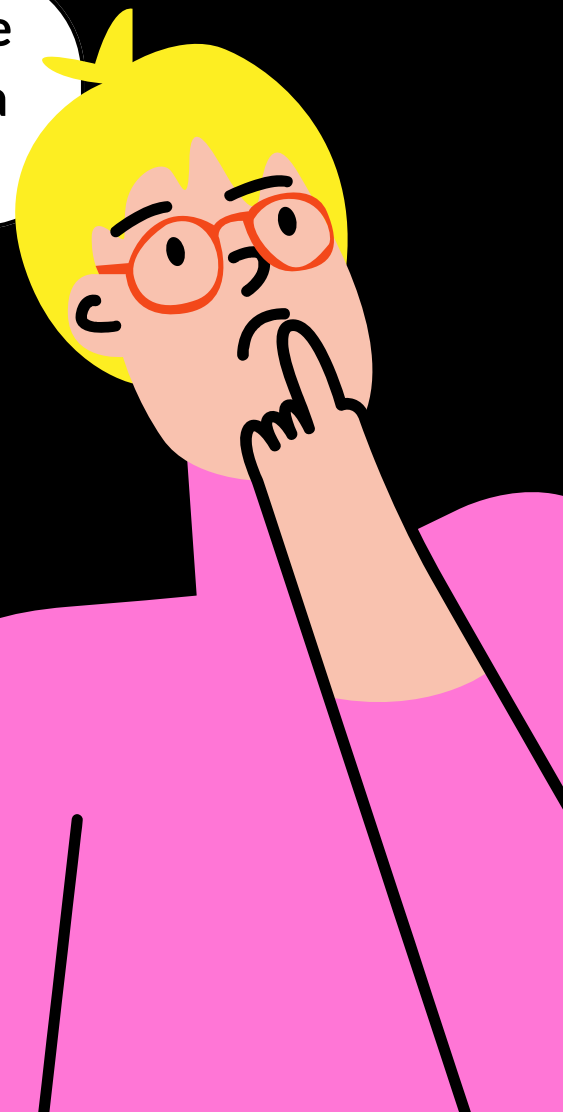


Veterans: Honorably discharged after meeting service requirements.

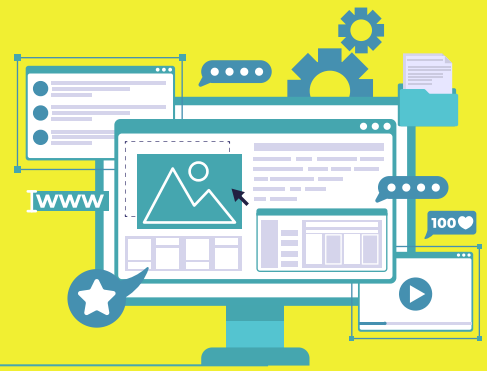
Surviving Spouses: Unmarried spouses of service members who died in the line of duty or due to a service-related disability.

VA Loan Eligibility

To confirm eligibility, you'll need a **Certificate of Eligibility (COE)**, which can be obtained online through the VA portal, your lender, or by mail.



Steps to Getting a VA Loan in Texas



DETERMINE ELIGIBILITY

- Obtain your Certificate of Eligibility (COE).
- Check your credit score (while VA Loans have flexible credit requirements, a score of 620+ is recommended).

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FIND A VA-APPROVED LENDER IN TEXAS

- Choose a lender experienced in VA Loans and familiar with Texas housing markets.
- Get pre-approved to determine how much home you can afford.



3

FIND A HOME & MAKE AN OFFER

- Work with a real estate agent familiar with VA Loans and Texas-specific home markets.
- Ensure the home meets VA property requirements (safe, sound, and sanitary).
- Submit an offer and negotiate terms.



VA APPRAISAL & LOAN PROCESSING

5



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- The VA requires an appraisal to determine the home's value and ensure it meets VA standards.
- The lender will review your financial details and verify loan approval.



CLOSING ON YOUR TEXAS HOME

- Review and sign all closing documents.
- Pay any applicable closing costs (usually lower than conventional loans).
- Receive your keys and move in!

Texas-Specific VA Loan Benefits



Texas Veteran Land Board (VLB) Programs:

Eligible Texas veterans can access additional benefits, such as lower interest rates through the VLB Home Loan Program.

No Down Payment

VA Loans aren't just for first-time buyers. As long as you have remaining entitlement, you can use the benefit multiple times.

No PMI (Private Mortgage Insurance)

- Saves you hundreds per month compared to FHA and conventional loans.

No Prepayment Penalty

- Pay off your loan early without extra fees.



Lower Interest Rates

- VA-backed loans typically offer lower interest rates than standard mortgages.

Texas Property Tax Exemptions

- Disabled veterans may qualify for property tax exemptions in Texas, reducing overall homeownership costs.

MYTH VS. FACT

DID YOU KNOW?



There are many misconceptions about VA Loans. Let's clear up the most common ones:

Myths:

VA Loans take too long to close.

Facts:

VA Loans typically close within 30-45 days—comparable to conventional loans.

Myths:

You can only use a VA Loan once.

Facts:

As long as you have entitlement available, you can use your VA Loan multiple times.

MYTH VS. FACT

DID YOU KNOW?



There are many misconceptions about VA Loans. Let's clear up the most common ones:

Myths:

VA Loans are only for first-time buyers.

Facts:

Veterans and service members can use the VA Loan multiple times for different homes.

Myths:

VA Loans have high fees

Facts:

While the VA funding fee applies, it's often lower than PMI or down payments required for conventional loans.



VA LOAN LIMITS & FUNDING FEES IN TEXAS



VA Loan Limits in Texas (2024)

As of 2024, there are no official loan limits for VA Loans if you have full entitlement. This means you can borrow as much as your lender approves, with no cap on loan amount, as long as you meet income and credit qualifications.

Who Has Full Entitlement (No Loan Limit)?

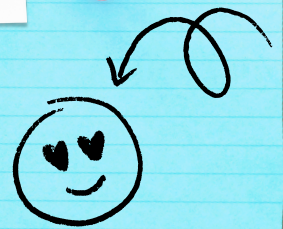
- ✓ First-time VA Loan users.
- ✓ Veterans who paid off a previous VA Loan and sold the home.
- ✓ Borrowers who had a foreclosure or short sale, but had their full entitlement restored.

Who Has Remaining (Partial) Entitlement?

- ✓ Veterans who still have an active VA Loan on another property.
- ✓ Borrowers who haven't paid off their previous VA Loan.
- ✓ Veterans who had a foreclosure or short sale, but only part of their entitlement was restored.

If you have remaining entitlement, your loan amount may be capped based on conforming loan limits set by the Federal Housing Finance Agency (FHFA).

- ◆ 2024 VA Loan Limit (for Partial Entitlement): \$766,550 in most Texas counties.
- ◆ If your entitlement is partially used, you may need a down payment on loans above this amount.



VA Funding Fee in Texas

The VA Funding Fee is a one-time fee charged to most VA Loan borrowers. It helps keep the VA Loan program running without requiring taxpayer funding. This fee can either be paid upfront at closing or rolled into the loan amount, spreading the cost over time.





VA LOAN LIMITS & FUNDING FEES IN TEXAS



2024 VA Funding Fee Rates

Loan Type	Down payment	First Time Use	Subsequent use
VA Purchase Loan	0%	2.15%	3.3%
VA Purchase Loan	5%+	1.5%	1.5%
VA Purchase Loan	10%+	1.25%	1.25%
VA Cash-Out Refinance	0%	2.15%	3.3%
Interest Rate Reduction Refinance Loan (IRRRL)	N?A	0.5%	0.5%

Who is Exempt from the VA Funding Fee?

- ✓ Veterans with a service-connected disability (10% or more)
- ✓ Surviving spouses of veterans who died in service or from a service-related disability
- ✓ Purple Heart recipients (if still on active duty)



USING YOUR VA LOAN FOR REFINANCING

Your VA Loan entitlement is the amount the U.S. Department of Veterans Affairs (VA) guarantees on your mortgage. This guarantee gives lenders confidence to offer VA Loans with zero down payment, no private mortgage insurance (PMI), and competitive interest rates.

What is VA Loan Entitlement?

Entitlement is essentially the VA's promise to repay part of your loan if you default. This backing allows lenders to approve VA Loans with no down payment and flexible credit requirements.

The VA typically guarantees 25% of the loan amount up to the conforming loan limit, which is \$766,550 in most U.S. counties for 2024 (higher in certain high-cost areas).

USING YOUR VA LOAN FOR REFINANCING

VA INTEREST RATE REDUCTION REFINANCE LOAN (IRRRL) – VA STREAMLINE REFINANCE

The VA IRRRL (Interest Rate Reduction Refinance Loan) is designed to help lower your mortgage payments by refinancing to a lower interest rate. This option is only available to veterans who already have a VA Loan.

Benefits of IRRRL:

- ✓ Lower Interest Rate – Reduce your monthly payments by securing a lower rate.
- ✓ No Appraisal Required – Most IRRRLs don't require a home appraisal, making the process quicker.
- ✓ No Income Verification – Since you're refinancing an existing VA Loan, lenders may not require proof of income.
- ✓ Lower Fees – The VA funding fee for an IRRRL is only 0.5% of the loan amount.
- ✓ No Out-of-Pocket Costs – Most closing costs can be rolled into the loan, so you don't need upfront cash.

Who Qualifies for an IRRRL?

- ◆ You must already have a VA Loan on your home.
- ◆ The new loan must have a lower interest rate than your current one (unless switching from an adjustable-rate mortgage to a fixed rate).
- ◆ You must have made at least 6 payments on your current VA Loan.
- ◆ You must certify that you live or previously lived in the home (owner-occupancy requirement).

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VA CASH-OUT REFINANCE

The VA Cash-Out Refinance allows you to borrow against your home's equity, replacing your current mortgage with a new VA Loan that includes the cash you need.

Unlike the IRRRL, this refinance is available to veterans with or without an existing VA Loan. You can use it to refinance a conventional, FHA, or USDA loan into a VA Loan.

Benefits of a VA Cash-Out Refinance:

- ✓ Access Cash from Home Equity – Use funds for home improvements, debt consolidation, medical expenses, or other major costs.
- ✓ Refinance Non-VA Loans – Switch from a conventional, FHA, or USDA loan to a VA Loan.
- ✓ 100% Loan-to-Value (LTV) Ratio – In many cases, you can refinance up to 100% of your home's value (most conventional loans limit you to 80%).
- ✓ No Private Mortgage Insurance (PMI) – Unlike FHA and conventional cash-out loans, VA Loans don't require PMI.
- ✓ Potentially Lower Interest Rates – VA Loans often have lower interest rates than conventional cash-out loans.

Who Qualifies for a VA Cash-Out Refinance?

- ◆ You must be eligible for a VA Loan and meet service requirements.
- ◆ Your home must be your primary residence.
- ◆ You must meet the lender's credit and income requirements (usually a 620+ credit score).
- ◆ Your home must pass a VA appraisal to determine its value.

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USING YOUR VA LOAN FOR REFINANCING

VA REFINANCE COSTS: FUNDING FEES & CLOSING COSTS

Both VA refinance options require a VA funding fee, but it varies based on the loan type:

- ◆ VA IRRRL Funding Fee: 0.5% of the loan amount
- ◆ VA Cash-Out Funding Fee:
 - First-time use: 2.15% of loan amount
 - Subsequent use: 3.3% of loan amount
 - ◆ Exemptions: Veterans with service-connected disabilities (10% or more) are exempt from the funding fee.

CLOSING COSTS

- VA refinancing closing costs typically range from 1-3% of the loan amount.
- Many costs can be rolled into the loan, meaning little to no upfront cash is needed.



FEATURE	VA IRRRL (STREAMLINE REFINANCE)	VA CASH-OUT REFINANCE
LOWERS MONTHLY PAYMENT	✓ Yes	✗ No (unless used for rate reduction)
REQUIRES VA LOAN?	✓ Yes	✗ No (can refinance FHA/Conventional)
CASH BACK AVAILABLE?	✗ No	✓ Yes
APPRAISAL REQUIRED?	✗ No (usually)	✓ Yes
INCOME VERIFICATION?	✗ No	✓ Yes
FUNDING FEE	0.5%	2.15% (first-time) / 3.3% (subsequent use)

FINAL THOUGHTS: USING YOUR VA LOAN FOR REFINANCING IN TEXAS

- ✓ VA IRRRL is best if you want to lower your mortgage payment and interest rate with minimal paperwork.
- ✓ VA Cash-Out Refinance is best if you want to access home equity for financial needs like home renovations or debt consolidation.
- ✓ Both options offer lower interest rates and no PMI compared to conventional refinancing.
- ✓ VA refinancing is only available to eligible veterans and service members—check your Certificate of Eligibility (COE) to see if you qualify!



HOW TO GET STARTED IN TEXAS

01

CHECK ELIGIBILITY & OBTAIN YOUR CERTIFICATE OF ELIGIBILITY (COE)

Before applying for a VA Loan, you'll need to confirm that you meet the VA eligibility requirements.

✓ Who Qualifies?

- Active-Duty Military – Served at least 90 consecutive days during wartime or 181 days during peacetime.
- Veterans – Must have served the required time and received an honorable discharge.
- National Guard & Reserves – Must have served 6 years or at least 90 consecutive days on active duty.
- Surviving Spouses – Unmarried spouses of service members who died in the line of duty or from a service-related disability.

✦ How to Obtain Your COE (Certificate of Eligibility):

Your COE proves your eligibility for a VA Loan. You can get it through:

- Your VA-Approved Lender – Most lenders can pull it instantly.
- Online Through the VA eBenefits Portal – Access here.
- By Mail – Submit VA Form 26-1880 to the VA Loan Center.

✓ Pro Tip: Your lender can often retrieve your COE in minutes, so you don't need to get it yourself before applying!

02

FIND A VA-APPROVED LENDER IN TEXAS & GET PRE-APPROVED

A VA Loan must be issued by a VA-approved lender—not all banks and mortgage companies handle VA Loans, so make sure to work with an experienced VA lender in Texas.

What to Look for in a VA Lender:

- ✓ VA Loan Expertise – Choose a lender who specializes in VA Loans and understands Texas home markets.
- ✓ Competitive Interest Rates – Compare lenders to get the best rate and lowest fees.
- ✓ Flexible Credit Requirements – VA Loans are flexible, but most lenders prefer a credit score of 620+.
- ✓ Pre-Approval Process – Get a pre-approval letter to show sellers you're a serious buyer.

Why Pre-Approval is Important:

Tells you how much you can afford based on your income and credit.

Strengthens your offer when bidding on a home.

Speeds up the homebuying process by having financing ready.

✓ Pro Tip: Pre-approval is NOT the same as final loan approval! You'll still need to go through underwriting once you make an offer.

HOW TO GET STARTED IN TEXAS

03

START HOUSE HUNTING WITH A VA LOAN-SAVVY REAL ESTATE AGENT

Once pre-approved, it's time to find your Texas dream home! A real estate agent familiar with VA Loans is crucial to help you:

- ✓ Find homes that meet VA property requirements (safe, sound, and sanitary).
- ✓ Negotiate seller-paid closing costs (the VA allows sellers to cover some fees).
- ✓ Understand Texas-specific VA benefits, such as the Texas Veteran Land Board (VLB) programs.

VA Loan Property Requirements

The VA requires homes to meet certain standards before you can buy them. Some key rules include:

- No major structural issues (roof damage, foundation problems, etc.).
 - Working heating, plumbing, and electrical systems.
 - Safe drinking water and proper sewage disposal.
 - No active termite infestations (Texas is a high-risk state for termites).
- ✓ Pro Tip: New construction homes and VA-approved condos may also qualify for a VA Loan!

04

SUBMIT AN OFFER & WORK THROUGH THE LOAN PROCESS

Once you find the right home, you'll make an offer and negotiate terms. After your offer is accepted:

- ◆ VA Appraisal – The VA requires an appraisal to determine the home's fair market value and ensure it meets VA standards.
 - ◆ Home Inspection (Recommended) – While not required by the VA, a home inspection is highly recommended to uncover potential issues.
 - ◆ Final Loan Approval – Your lender will review financial documents and finalize your VA Loan approval.
- ✓ Pro Tip: If the VA appraisal comes in low, you can renegotiate the price or request a Reconsideration of Value (ROV) to get a second opinion.

05

CLOSE ON YOUR TEXAS HOME & ENJOY VA LOAN BENEFITS!

◆ What Happens at Closing?

- You'll sign final documents to complete the loan process.
- Pay any remaining closing costs (VA Loans have limited closing costs).
- Receive your keys and officially become a homeowner! 🏠

VA Loan Closing Costs in Texas

The VA limits how much you pay in closing costs, making VA Loans more affordable. Common costs include:

- VA Funding Fee (Can be rolled into the loan).
- Appraisal Fee (Typically \$500-\$700 in Texas).
- Title & Escrow Fees.
- Lender Fees (Origination, underwriting, etc.).

✓ Pro Tip: Some Texas veterans qualify for property tax exemptions, reducing homeownership costs significantly!

FINAL THOUGHTS

THE VA LOAN IS MORE THAN JUST A MORTGAGE—IT'S A WELL-EARNED BENEFIT THAT TURNS HOMEOWNERSHIP INTO REALITY FOR TEXAS SERVICE MEMBERS AND VETERANS. WITH NO DOWN PAYMENT, LOWER INTEREST RATES, NO PMI, AND FLEXIBLE QUALIFICATION REQUIREMENTS, IT'S DESIGNED TO REWARD YOUR SERVICE WITH FINANCIAL FREEDOM AND STABILITY.

🏠 IMAGINE UNLOCKING THE DOOR TO YOUR NEW HOME, KNOWING YOU'VE SECURED ONE OF THE BEST HOME LOAN OPTIONS AVAILABLE. WHETHER THIS IS YOUR FIRST HOME OR YOUR NEXT, YOUR VA LOAN BENEFIT NEVER EXPIRES—IT'S ALWAYS THERE WHEN YOU'RE READY. THE PROCESS MAY SEEM OVERWHELMING AT FIRST, BUT YOU DON'T HAVE TO GO THROUGH IT ALONE. THE RIGHT VA-APPROVED LENDER AND REAL ESTATE PROFESSIONALS WILL GUIDE YOU EVERY STEP OF THE WAY, ENSURING A SMOOTH AND STRESS-FREE EXPERIENCE.

🚀 NOW IT'S TIME TO TAKE THE FIRST STEP! CHECK YOUR ELIGIBILITY, CONNECT WITH A LENDER, AND START THE JOURNEY TOWARD HOMEOWNERSHIP IN TEXAS TODAY. YOUR DREAM HOME IS WAITING—LET'S MAKE IT A REALITY!



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