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# **How do you get your Low-Down Payment Clients into Contract!**

**We will discuss VA Zero Down Home Loan Benefit.**

**We will also discuss FHA 3.5% down or up to 105% Ltv with down payment assistance.**



# Benefits for Veterans



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## Topics covered in the series:

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- Credit Benefits for Active Military
- VA Home Loan Benefit
- Property Requirements and Protection
- Using Certified Military Special Real Estate Agent

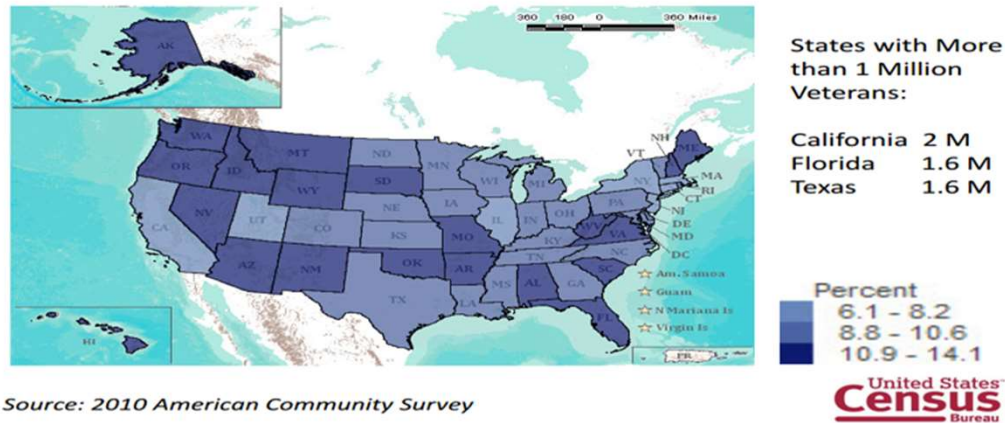


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# Introduction:

## Percentage Veteran by State: 2010

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Source: 2010 American Community Survey

States with More than 1 Million Veterans:

California	2 Million
Florida	1.6 Million
Texas	1.6 Million

- 2 Million Veterans in California
- Only 13% nationwide have used their VA Loan Benefit
- Estimated \$1,740,000 veterans still available to use loan benefit
- Veterans are often not aware of their financial benefits

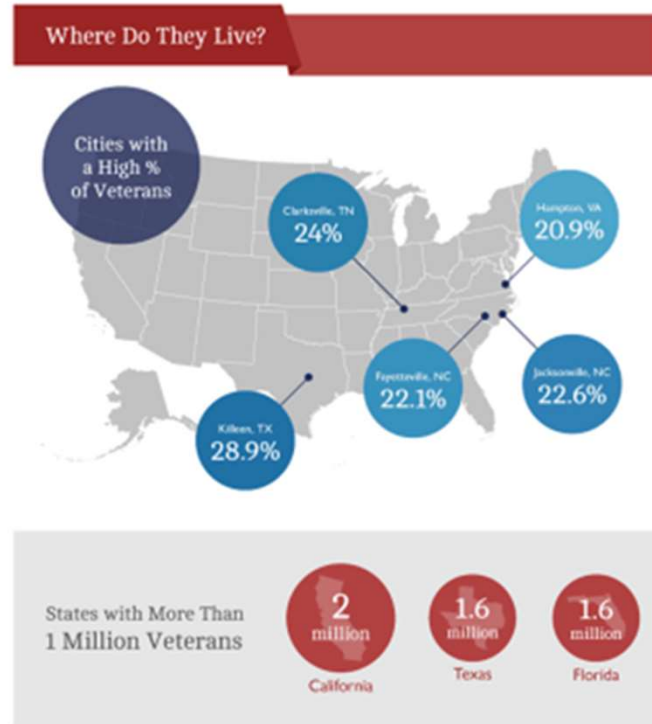
## More Census Statistics

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- 21.8 Million Veterans in United States
- 20.2 are male/1.6 are female
- Texas, Florida and California have over Million Veterans in residence.
- Of the 21.8 Million Veterans 1.3 Million served in multiple was.
- Veteran's annual income is about \$10,000. higher than that of the average American.



## More Census Statistics



# Credit Benefits Summary

- Interest Rate Cap of 6% when actively deployed
- Tax Reliefs
- Temporary Relief from Mortgage Payments
- Termination of Residential and Automobile Leases
- Protection from Eviction
- Stay of Judicial Proceedings



# What does this Home Loan benefit mean to you?

- You can qualify for homes with less money out of pocket than Non-Veterans!
- You can qualify with higher debt to income ratios than Non-Veterans! Meaning more house than others.
- If rates drop you can refinance without qualifying or having an appraisal.

# Loan Benefits

- 100% Purchase up to County Limit
- 100% Cash Out Refinance
- IRRRL– Rate reduction Refinance with limited Documentation\*No Appraisal Required
- Dti Ratios as high as 55% with Aus approval
- Credit scores as low as 580
- Property must be in Good condition Termite Report and clearance for sections 1 and any Health and safety issues.

# Loan Benefits

Loan Benefit: Continued

Funding Fee:

It is added to your loan amount it is not an out-of-pocket expense.

It is waived if you have any VA related disability income.

The money paid into the funding fee helps pay for other Veterans and additional VA benefits.

Type of Veteran	Loan Purpose	Down Payment	% for 1 <sup>st</sup> Time Use	% for Subsequent Use
All Veterans	Purchase	0 – 4.99%	2.30%	3.60%
All Veterans	Purchase	5 – 9.99%	1.65%	1.65%
All Veterans	Purchase	10% or More	1.40%	1.40%
All Veterans	Refinance	N/A	2.30%	3.60%

# Loan Benefits Terms

Un-allowables: For a Veterans protection some fees are not allowed to be paid by the Veteran. Including Termite Report, Tax Service fee to name a couple.

Residual Income: This is the amount of money that is left after your net pay after taxes and all debts are deducted as well as some housing expenses. This is important on a VA Loan so that as a lender we can make sure you can repay your loan.

Impounds/escrows: This is the amount that is set aside from your monthly payment for paying your property taxes and your hazard insurance on your property.

## Certified Military Housing Specialist

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- They will know how to structure your offer to have it accepted even against stronger down payments.
- They will be able to fight resistance from the Sellers for your loan type.
- They will know what type of property issues to avoid.



# Choosing a Real Estate Agent

- **A good Real Estate Agent is your partner in the home buying process. You may be working with an agent for several months so it's important to find someone with whom you're totally comfortable.**
  - Personally interview each agent to make sure it's good/appropriate/comfortable fit.
  - As a buyer, you don't pay any commission (the seller pays it), so it's in your best interest to find an agent you trust before you start looking.
- **Understand the difference in agents:**
  - A “Buyer's Agent”—works for YOU in helping you buy the right house.
  - A “Seller's Agent” (or “Listing Agent”)—works for the SELLER and helps get the seller the best terms.

# Choosing a Real Estate Agent

- **An agent will:**
  - Help you find a house you love.
  - Be knowledgeable about neighborhoods, pricing, local schools and public safety.
  - Make your house search more efficient by narrowing down your choices based on what you're looking for.
  - Assist you in **NEGOTIATING** a fair price.
  - Answer your questions and provide guidance.
  - Know the specific requirements for home purchase on a VA Secured purchase

# 5 Tips to get VA offer accepted

1. Use A lender who provides Full Lender underwritten **Verified Income & Verified Asset Pre-Approval**
2. Advise the Listing Agent the Real Estate Agent and Loan Originator is a **Certified Military Housing Specialist**
3. Advise the Listing Agent that the lender is a **VA LAPP (Lender Appraisal Processing Program) Approved Lender**
4. Don't pick a home in poor condition.
5. Make sure your offer is as strong as possible to win that property.





# Documentation Required for APPROVAL !

- Loan application
- 2 years Federal tax Returns
- 2 years W-2's
- 2 Month Bank Statements all Accounts
- 1 Full Month of Pay Check Stubs with Year to Date Income reflected
- Dd-214 (military service record)
- Authorization to run your credit report.

# FHA Credit & Qualifying Requirements

- Credit scores allowed down to 580, some even lower depending on lender overlay.
- Down payment assistance Allowed to 105% combined loan to value
- No minimum tradelines
- Fha does allow ITIN borrowers with specific requirements
- Manual Underwriting is available when there is limited credit profile.
- Debt to income ratios 46/54 in some cases

What does the FHA program mean to you? The mortgage lender or real estate agent.

- More Buyers will qualify for the home purchase.
- Down payment issues are often eliminated.
- 100% Gift is allowed for down payment
- Borrowing funds from your retirement account, (yourself) is allowed for down payment and closing and no payment is counted against the buyer.
- As is properties are allowed.

# Loan Benefits

- 96.5% Purchase up to County Limit
- Streamline Refinance with limited Documentation\*No Appraisal Required
- Dti Ratios as high as 54% with Aus approval
- Credit scores as low as 580
- As is allowed
- Condo's must be approved by HUD or have an SUA (aka spot approval issued)

# Loan Benefits

Loan Benefit: Continued  
 Increased loan limits  
 Check your county for specific limit.

For loans with case numbers assigned prior to 1/1/2022:

**High Balance:**

All States, except AK and HI:

- 1 Unit \$548,251
- 2 Units \$702,001
- 3 Units \$848,501
- 4 Units \$1,054,501

AK and HI:

- 1 Unit \$822,376
- 2 Units \$1,053,001
- 3 Units \$1,272,751
- 4 Units \$1,581,751

## Upfront Financed Mortgage Insurance:

<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>• All loans, regardless of LTV require mortgage insurance.</li> <li>• Mortgage Insurance Premiums are listed below as "Upfront Amount/Monthly Fee."</li> </ul>			
	<p>CASE NUMBERS ASSIGNED ON OR AFTER JANUARY 26, 2015 – ALL LOAN PURPOSES EXCEPT SIMPLE REFINANCES OF LOANS ENDORSED PRIOR TO JUNE 1, 2009</p>			
	<b>Loan Terms &gt; 15 Years</b>			
	LTV/Base Loan Amount	≤ 95%	> 95%	
	≤ \$625,500	1.75%/.80%	1.75%/.85%	
	> \$625,500	1.75%/1.00%	1.75%/1.05%	
	<b>Loan Terms ≤ 15 Years</b>			
	LTV/Base Loan Amount	≤ 78%	>78% and ≤ 90%	> 90%
	≤ \$625,500	1.75%/0.45%	1.75%/0.45%	1.75%/0.70%
	> \$625,500	1.75%/0.45%	1.75%/0.70%	1.75%/0.95%
	<ul style="list-style-type: none"> <li>• For all loan terms with LTVs ≤ 90% cancellation of the annual (monthly) premium will occur after the borrower has paid the premium for eleven years</li> <li>• For all loan terms with LTVs &gt; 90% the annual (monthly) premium will continue for the loan term</li> </ul>			

# 5 Tips to get FHA offer accepted

1. Be sure if your property is a condo that it is approved or approvable on an SUA.
2. Have fully underwritten approval from underwriting to make sure it can close smoothly
3. Note any visual health and safety issues on property before making offer, for example, broken windows and visually peeling paint.
4. Fha does allow for garage conversions without permits made an a workman like manner.
5. Make sure your offer is as strong as possible to win that property.

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Team:

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Please reach out for more information!



**We are here to serve You who have served our Country ! WE also serve the consumers who need to get in the door with FHA low down.**

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