

5

Simple Steps to Your VA Home Loan



Veterans United™
Home Loans

Getting a home loan doesn't have to be an overwhelming experience.

Whether you're a first-time buyer or a longtime homeowner, it's important to step back and look over the steps to securing a VA loan. Getting some distance and perspective on this important process can help ease fears and show military borrowers that the path to a new home or a new mortgage isn't as winding and treacherous as many think.

This guide will cover the five simple steps of the home loan process. We'll also explain some of the most common problems that slow or even halt an application and how you can prevent them.

Five Simple Steps to a VA Loan

1 Prequalification

Prequalification is the first step toward your VA loan. A loan officer will pull your credit scores and get a ballpark estimate of your income, which allows you to get a broad sense of your purchasing power. This is a non-binding step that provides a rough estimate at best. This step can generally be completed over the phone in a matter of minutes.

To start your prequalification, call us at 800-884-5560.

2 Preapproval

Preapproval takes place directly after prequalification and requires a deeper look at your financial situation. But this step, while also non-binding, carries much more weight with sellers and real estate agents. In this step, you must [complete a loan application](#) and provide your loan officer with pay stubs, tax returns and other financial statements.

During this step, Veterans United Home Loans will obtain your Certificate of Eligibility, a formal document that explains what VA entitlement you possess.

Preapproved borrowers will receive a preapproval letter, which explains that you are approved for a home loan provided certain conditions are met. Loan preapproval is not a guarantee that you will get a mortgage.

3 Home purchase and VA Appraisal

Your loan officer will order an appraisal once you've come to terms with a seller on your home. The VA uses independent appraisers who determine the property's fair market value and ensure it meets the agency's Minimum Property Requirements. An appraisal and a home inspection are not the same thing. Home inspections are not required but are strongly recommended.

The property's value is crucial when determining the fate of the loan. Lenders will loan whichever amount is less between the purchase price and the appraised value. A purchase price that exceeds the appraised value will send buyers back to the negotiating table; force the veteran to make a down payment; or kill the loan entirely.

4 Underwriting

Following the VA appraisal, your mortgage documents are sent to an underwriter. The underwriter conducts a careful review to ensure the borrower and the property meet the basic guidelines set by the Department of Veterans Affairs and any in-house guidelines from the lender.

Veteran Voices

We work closely with our borrowers to ensure they're prepared and that the mortgage process is as smooth and streamlined as possible. Read more about the veterans and active military members we've had the privilege to serve on [our customer profiles page](#).

5 Closing

The final step of the VA loan process is closing, and Veterans United Home Loans will schedule a closing date with the buyer, seller and title company.

Shortly before you close on the property, you will complete the final walk-through to ensure the property is in the negotiated condition. Once the walk-through is completed, buyers and sellers will gather to sign the necessary documents and pay any fees needed to finalize the transfer of property.

While these steps are simple enough, home lending is ultimately a business comprised of human beings. That means there's always a chance for simple mistakes, oversights and paperwork errors.

Most of these problems are easily fixed and very preventable; however, choosing a lender that specializes in VA Loans, like Veterans United Home Loans, can save you much time and effort.

Here is a look at five of the most common issues that slow down the VA Loan process:

1 Application Errors

It's important to double check your VA loan application. Underwriters are perfectionists and will need your paperwork to be completely accurate. You don't want something slipping through the cracks that will cause a delay down the road.

Most mistakes that are caught early can easily be fixed, but if problems arise, such as income that cannot be verified, undisclosed debt or even a flub in family size, you may find yourself with problems down the road.

2 Employment Changes

Employment changes can delay your loan process by requiring a completely new set of documentation and verifications or even trigger an underwriter to believe the new income is unreliable. If a change is inevitable, be sure to tell your loan officer.

3 Credit Changes

Before closing, the underwriter will re-verify your credit to make sure everything is constant and that you have not incurred any large debts over the course of the process. If you buy a new vehicle, default on a loan or do something that could affect your approval, expect delays.

Keep in mind that even the little things can throw up red flags. Avoid credit checks and do not take on any new debt until your loan has been closed.

4 Delays from the Borrower

One of the more common delays is the time it takes a borrower to send financial statements and other information to the underwriter. Make sure you understand all requests from the underwriter and talk to your loan officer if you are unsure.

Underwriters will not issue your final approval until they have reviewed every piece of required documentation, meaning a prompt response is key to closing your loan quicker.

5 Factors Beyond Your Control

Sometimes items you have no control over will cause setbacks in closing on your home. The inspection could turn up structural problems or a termite infestation, or the seller could even back out of the deal.

These items are out of your control, and, as long as you're following the above steps and maintaining communication with your loan officer, go ahead and relax.