



Loan Guaranty Service Program Overview

Housing Assistance Council
June 8th, 2016

Veterans Benefits Administration

VA



**U.S. Department
of Veterans Affairs**

Mission...Vision...Strategic Plan



Mission: Maximize opportunities for Veterans, Servicemembers and Survivors to **obtain**, **retain**, and **adapt** homes by providing a viable and fiscally responsible benefit program in recognition of their service to the Nation.

Vision: To empower Veterans with information and access to innovative products and services by providing a Veteran-focused experience, strengthening our partnerships, driving continuous performance improvements, and never forgetting who we serve.

- To support VBA's strategic plan and achieve Loan Guaranty's vision for Veterans, Servicemembers, Survivors, and their families, Loan Guaranty Service will:
 - **Serve as the leading voice related to housing for Veterans**
 - **Attract and retain** a workforce with the skills, knowledge, and commitment necessary to serve Veterans
 - **Create and sustain** a culture of innovation that ensures the VA home loan is the product of choice
 - **Deliver a quality customer experience** through consistent, timely, and accurate benefits and services that meet their needs

Home Loan Guaranty



What is it?

The VA-guaranteed home loan program helps Veterans, their families, Servicemembers, Survivors, and eligible Reservists to **obtain, retain, adapt** or refinance a home. VA loans allow more favorable financing terms, including no down payment or mortgage insurance premiums.

Who is it for?

Home loan programs are available to Veterans, their families, Servicemembers, Survivors, and eligible National Guard and Reserve members. Under the separate Specially Adapted Housing Program, Veterans with certain service-connected disabilities may be entitled to grant funds to help adapt their homes to enable or maintain independence.

Eligibility Requirements



- The applicant must qualify for the loan from the lender
- Service requirements vary based on when the applicant served. Generally, an applicant must:
 - Serve on active duty for at least 90 days, with other than dishonorable discharge;
 - Serve less than 90 days active duty if discharged for a service-connected disability.
 - National Guard and Reserve members generally have to have 90 days of active service, six years in the Selected Reserve or National Guard, or be discharged because of a service-connected disability.
- Veterans in receipt of compensation, or who would be but for receipt of active duty pay, and certain surviving spouses, are exempt from paying the funding fee.

The applicant must obtain a **Certificate of Eligibility (COE)** from VA that verifies his or her military service to the lender to qualify for a VA-backed loan. It's easy for eligible members to obtain a COE through eBenefits at www.eBenefits.va.gov.

Lenders may also obtain COEs for eligible members through VA's Automated Certificate of Eligibility (ACE) system.

Available Loan Types



VA offers a variety of home loan guaranty programs for Active Duty Servicemembers, Veterans, Survivors, and National Guard and Reserve members.

- **Purchase Loans** help you purchase a home at a competitive interest rate often without requiring a downpayment or private mortgage insurance.
- **Interest Rate Reduction Refinance Loan (IRRRL)**, also called the Streamline Refinance Loan, can help you obtain a lower interest rate by refinancing your existing VA loan.
- **Cash Out Refinance Loans** allow you to take cash out of your home equity to take care of concerns like paying off debt, funding school, or making home improvements.
- **Native American Direct Loans** are made to Native Americans living on trust land; NADL loans are underwritten and funded by VA.

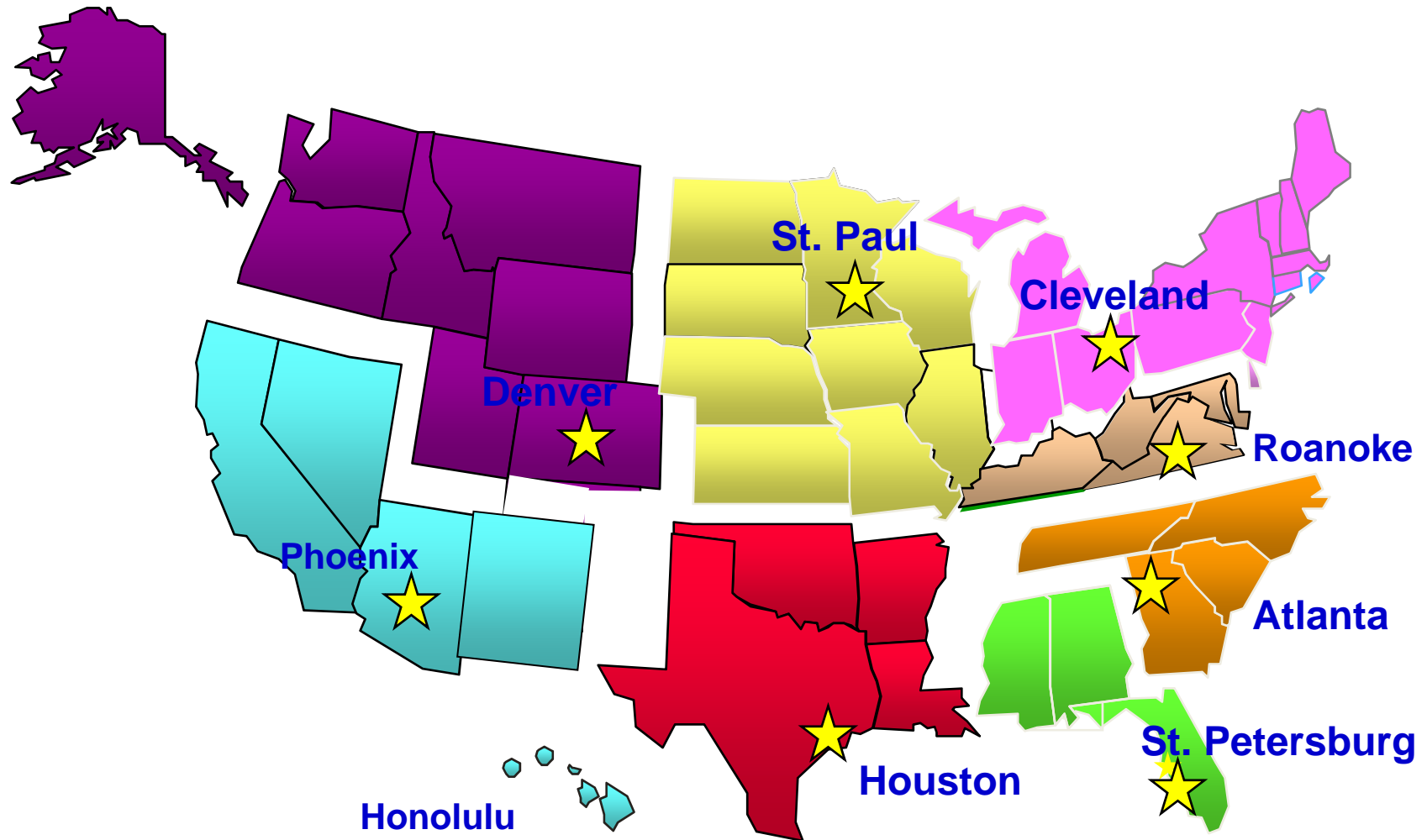
VA Loan Statistics

- **48 days to close VA loan** (Ellie Mae, Origination Insight Report, Apr 2016)
- **Interest rate** continues to outshine other programs (3.88 vs 5.3 Conv and 4.05 FHA) Ellie Mae Apr 2016
- **20 Millionth** loan made in Oct 2012
- **22 Millionth** loan made in May 2016
- There were 1494 lenders that closed at least one loan in FY15
- VA Guaranteed 631,147 loans in FY15 – an all-time record!

Numerous Benefits

- Benefit never expires – and multiple use
- Generally no down-payment required
- No mortgage insurance required
- Negotiable interest rates
- Minimum Property Requirements (MPRs)
- Possible to have more than one active VA loan

VA Regional Loan Centers



VA Regional Loan Centers

RLC	EMAIL	PHONE
Atlanta	atlloanprod@va.gov	1-888-768-2132
Cleveland	vahomesite@va.gov	1-800-729-5772
Denver	lgyemail@va.gov	1-888-349-7541
Honolulu	lgy.vbahon@va.gov	1-808-433-0481
Houston	houstonlgy@va.gov	1-888-232-2571
Phoenix	lpgc.vbapho@va.gov	1-888-869-0194
Roanoke	roanoke.lp@va.gov	1-800-933-5499
St. Paul	rlc335@va.gov	1-800-827-0611
St. Petersburg	fl/homeloan@va.gov	1-888-611-5916

Ask to speak with the “*Lender Maintenance*” Point of Contact (POC)
Lender’s Handbook: VA Pamphlet 26-7



Foreclosure Avoidance and Available Assistance

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Trouble Making Mortgage Payments?

Who Can Help?

Mortgage Servicer

VA Loan Technician

- Call (877) 827-3702 for assistance
- Access website for additional information:

<http://benefits.va.gov/homeloans/>

County Veteran Service Officers

Home Retention Options

- ❑ **Repayment Plan** – The borrower makes regular installment each month plus part of the missed installments.
- ❑ **Special Forbearance** – The servicer agrees not to initiate foreclosure to allow time for borrowers to repay the missed installments. An example would be when a borrower is waiting for a tax refund.
- ❑ **Loan Modification** - Provides the borrower a fresh start by adding the delinquency to the loan balance and establishing a new payment schedule.

Alternatives to Foreclosure

- ❑ **Short Sale** – When the servicer agrees to allow a borrower to sell his/her home for a lesser amount than what is currently required to payoff the loan.
- ❑ **Deed-in-Lieu of Foreclosure** - The borrower voluntarily agrees to deed the property to the servicer instead of going through a lengthy foreclosure process.

Veterans with Non-VA Guaranteed Loans

- ❑ For a Veteran or Service member who obtained a conventional or sub-prime loan, VA does not have the legal authority to intervene on the borrower's behalf. It is imperative that a borrower contacts his/her servicer as quickly as possible.
- ❑ Visit VA's website (<http://benefits.va.gov/homeloans/>) or call toll-free **(877) 827-3702** to speak with a VA Loan Technician for advice on approaches to take with your servicer.