# Article Side

Special Housing Loans for War Veterans and Military Staff Members by Randy Robinson

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The US government presents a VA mortgage loan for qualified veterans. During President Franklin D. Roosevelt's term, the Congress promulgated a legislation that permits the Department of Veteran Affairs (VA) to release realestate and business loans to war veterans. It served millions of veterans back then, but private creditunions such as mortgage banks present most of the loans to veterans and other qualified candidates these days.

Before, only individuals who are involved in combat are provided the opportunity to use the project, but in 1992, changes were done to allow service personnel, including reservists and National Guard associates who served the government for six years, to obtain VA home loans. Surviving partners of deceased veterans were also allowed to apply for VA loans. However, the veteran should pass away while on duty before the surviving partner can be entitled. The process usually consumes 2-3 months before the death is proven and the loan is approved.

One advantage of having a VA loan is that applicants can get as much as the price of the home. For borrowers, this is a big helpâ€"they do not have to find another lending institution to fill the remaining amount. Nevertheless, there are a number of restrictions that apply to VA loans-- some can only obtain as much as $1,000,000.

The interest rates are also flexible in VA loans. Borrowers can decide whether or not to get a VA home mortgage loan with a fixed interest rate, or a mortgage with an adjustable rate. Fixed rate loans generally have 10-30 years amortization periods, while adjustable rate loans merely have an average of five years. By having various mortgage programs like these, borrowers enjoy the liberty to choose whatever loan plan they think is suitable for them. Eventhough interest rates are adjustable, it doesn't essentially indicate that candidates with bad credit ratings can be qualified.

Some VA home mortgage loans are provided without deposits, while others do have. Loan providers can demand down payments as high as 25 % of the overall amount if the applicant took a big VA loan or if the loan provider learns that the acquisition price is more than the amount of the presumed value of the residence. Loan providers seldom ask for a down payment if the loan is beyond $625,500.

VA mortgage loans do not have property loan insurance premiums so VA loan borrowers pay smaller monthly payments than people who have a private mortgage insurance(PMI). Certainly, VA loans give a significant perk to all entitled members.

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