Special Mortgage Loans for War Veterans and Military Personnel

by Randy Robinson

Article published on March 7th 2012 | Mortgage

The United States government provides a VA housing loan for eligible veterans. During President Franklin D. Roosevelt's term, the Congress passed a law that allows the Department of Veteran Affairs (VA) to give out real property and business loans to war veterans. It assisted millions of veterans in its early years, but private loan providers such as mortgage banks grant majority of the loans to veterans and other entitled applicants today.

Before, only those who are involved in service are offered the opportunity to take advantage of the program, but in 1992, changes were carriedout to allow service staff, as well as 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 die while on duty before the surviving spouse can qualify. The process generally consumes 2-3 months before the death is verified and the mortgage is approved.

One convenience of securing a VA loan is that borrowers can receive as much as the financialvalue of the house. For borrowers, this is a major helpâ€”they do not have to find another provider to supply the remaining amount. Nonetheless, there are a number of limits that concern VA loans-- some can only get as much as $1,000,000.

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

A number of VA home mortgage loans are given without deposits, while some do have. Loan providers may impose deposits as high as 25 % of the full amount if the applicant took a big VA loan or if the loanprovider learns that the acquisition price is higher than the amount of the supposed cost of the house. Finance institutions seldom request a down payment if the loan is over $625,500.

VA mortgage loans do not have mortgage insurance premiums so VA loan applicants pay smaller monthly payments than people who have a private mortgage insurance(PMI). Certainly, VA loans present a huge advantage to all entitled members.

Article Source:
http://www.articleside.com/mortgage-articles/special-mortgage-loans-for-war-veterans-and-military-personnel.htm - Article Side

Randy Robinson - About Author:
For more details, search a VA home mortgage loan, a VA home mortgage loans, and a VA mortgage loans in Google for related information.

Article Keywords:
va home mortgage loan, va home mortgage loans, va mortgage loans

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!