VA Home Loan Benefit

A simple guide for Veterans, service members, and eligible survivors

A VA home loan isn't money lent by VA directly — a private lender (bank, mortgage company, or credit union) makes the loan, and VA guarantees part of it. That guaranty lowers the lender's risk, which is why VA loans come with standout terms.

KEY BENEFITS

- **$0 Down Payment**
  No down payment required in most cases — nearly 90% of VA loans close with $0 down.
- **No Monthly PMI**
  Skip the private mortgage insurance most low-down-payment loans require.
- **Reusable Benefit**
  See “Using Your Benefit More Than Once” below for the rules.
- **Negotiable Closing Costs**
  Sellers may credit up to 4% of the home's value toward your costs.
- **No VA Minimum Credit Score**
  VA sets no minimum; individual lenders may still set their own.

WHO'S ELIGIBLE

- **Active Duty**
  Generally 90 continuous days of service.
- **Veterans (Gulf War era–present)**
  24 continuous months, or full call-up period (min. 90 days), or a qualifying discharge exception.
- **National Guard & Reserve**
  90 days of active duty, or 6 creditable years of service.
- **Surviving Spouses**
  Certain DIC recipients, or spouses of an MIA/POW service member.
- **Certificate of Eligibility (COE)**
  Required for everyone — apply free online at VA.gov or through your lender.

Types of VA Home Loans

Purchase Loan	Cash-Out Refinance	Interest Rate Reduction Refinance Loan	Native American Direct Loan
Buy a primary residence	Access cash from your home equity	Lower the rate on an existing VA loan	Buy/build on federal trust land

VA Funding Fee — Purchase & Construction Loans

Down Payment	First-Time Use	Subsequent Use
Less than 5%	2.15%	3.30%
5% or more	1.50%	1.50%
10% or more	1.25%	1.25%

Rates effective 4/7/2023, as a % of the loan amount — usually financed into the loan. **Waived** for most Veterans receiving VA disability compensation, Purple Heart recipients on active duty, and surviving spouses receiving DIC. IRRRL, cash-out refinance, and NADL fees are lower and don't vary by down payment.

Using Your Benefit More Than Once

- **Repaid your prior VA loan but kept the home?** You can restore your full entitlement **one time only** to use again.
- **Sold the home and repaid the loan in full** — or had another eligible Veteran assume it and substitute their own entitlement? Your entitlement is restored, with no limit on how many times.
- **Didn't restore your entitlement?** You may still have remaining “bonus entitlement” to buy or refinance another home with no down payment, based on your county's loan limit.

SOURCE: U.S. Department of Veterans Affairs (VA.gov) — Home Loans, Eligibility, Funding Fee & Closing Costs, and Loan Limits & Entitlement pages.

EFFECTIVE DATE OF DATA: Funding fee rates effective April 7, 2023; all other details reflect VA.gov content current as of January 15, 2026.

DISCLAIMER: This fact sheet is for general information only and is not exhaustive. The author is not a licensed mortgage lender or financial advisor. Consult a VA-approved lender or licensed mortgage professional for guidance specific to your situation.