**Six Steps to Using a VA Home Loan**

Since its establishment in 1944, as part of the Servicemen's Readjustment Act, VA home loans have gone through several changes and updates, making them some of the best home loans available, according to experts in Real Estate. More than 22 million veterans have used these loans to achieve the dream of homeownership, and that number keeps growing.

The appeal of these loans stems from the unique benefits that they offer applicants who qualify for them. These benefits include things like lower monthly payments, lower interest rates, zero down payment requirements, no mortgage insurance premiums, no-prepayment penalties, and the ability to finance the funding fee with the loan. In addition, these loans can be taken out in both 15 and 30 years fixed-rate mortgages, giving borrowers the freedom to decide what works best for them.

Taking advantage of these loans requires that the applicant goes through a step-by-step process, which will lead to homeownership. These steps cover the applicant's eligibility, the pre-approval process, finding the right realtor, determining if the property qualifies, and getting it appraised. The successful completion of these steps will ultimately lead to signing the final loan documents and becoming a homeowner. The steps go as follows:

Step 1: Eligibility Status

One of the first steps potential borrowers must take is to determine whether they will meet [VA home loan requirements](https://www.vahomeloancenters.org/va-home-loan-eligibility/). This requirement takes into consideration things like military service, income, and credit score. Therefore, it would be helpful for the applicant to check whether they meet these eligibility requirements.

Military service must be so that the applicant served at least 90 consecutive days of active duty service during wartime or 181 days during peacetime. Members of either the National Guard or the military reserves must have at least six years of service. Also, military spouses can take this loan if their veteran spouse lost their life while on duty or due to an injury sustained while on duty.

When it comes to having a qualifying income, VA loans require that it is reliable and consistent, which they deem to be income from a full-time job, social security, VA disability, or retirement. There are other eligible types of income, although they must be consistent for at least two years. These include income from a part-time job, self-employment, 1099, or a seasonal job. In addition, some types of income must be consistent for at least three years; these are child support and alimony.

The last thing that the borrowers need to make sure they meet before considering applying for a VA loan is an eligible credit score. Although there are no VA credit score requirements, individual lenders set different their own, with some of them asking for a 660-credit score. However, VA Home Loan Centers has lenders that will go as low as 620, allowing applicants with past financial issues to get one step closer to homeownership.

Once the applicant meets all of these eligibility requirements and they submit a COE application, they will receive a [Certificate of Eligibility](https://www.vahomeloancenters.org/apply-for-a-certificate-of-eligibility/), which is needed to move forward in the process.

Step 2: Pre-approval Process

Ensuring that the borrower meets all eligibility requirements is the first step in the [VA loan application](https://www.vahomeloancenters.org/apply-for-a-va-home-loan/) process; the next step is getting pre-approved. The pre-approval process will dictate the maximum amount a lender will approve for you. This step requires that applicants talk to a lender about their income, assets, and debts while at the same time having the lender pull their credit score.

This step is not a formal application, but it gives the borrower an idea of what type of property they might qualify to purchase. Applicants must know that the amount they are pre-approved for might change once the applicant's information is reviewed and confirmed.

Step 3: Find Representation

After the applicant gets both a pre-approval letter and a COE, they will need to look for a realtor who will help them find their future home based on the information they provided in both documents.

Finding the right realtor is essential to making homeownership possible since they represent you and ensure that you get the property that meets the VA's criteria. VA Home Loan Centers can provide lenders who will help you find your future home at a reduced cost.

Step 4: Find the Right Property

The property that the applicant is trying to purchase must meet the VA's eligibility requirements. These requirements include the type of home that can be purchased and the details that determine its eligibility.

Properties must be safe to move into, and any potential hazards not addressed can serve as grounds for disqualification of the property. The home must also be either a single-family residence, a multi-family dwelling of up to four units, a manufactured home, a mobile home, a townhome, or a condo. Some of these properties have additional eligibility requirements, like manufactured homes being on permanent foundations, and Condos must be VA approved.

After the applicant finds an eligible property, their representative, which is the realtor, will write a contract and submit an offer to purchase with the best possible terms and price for the applicant.

Step 5: Property Appraisal

Once the seller accepts the applicants' offer, the property will be inspected and appraised by a third-party appraiser who will inspect the property and its amenities. The appraised will also check current market trends and sale prices for other equivalent properties.

It is recommended that the applicant get an independent home inspector to look at the property since they will check more specific property systems and components. The inspection is a more detailed look at the property since the appraiser will only check its basic habitability.

Step 6: Sign the Home Loan Documents

After all of these steps are completed, an underwriter will conduct the final verification of the applicant's income, assets, and employment. Once the applicant finishes that step, they will sign the closing documents for the property, finalizing the property's purchase and turning the applicant into the owner.

Phil Georgiades is the CLS for VA Home Loan Centers, a government-sponsored brokerage specializing in VA Home Loans. He has been working in real estate professionally for the last 22 years. For more information about VA loans, call us at (877) 432-5626. Our team of real estate professionals will help you through the VA application process.