



## What You Need to Know About Seller Concessions & VA Loans!

VA loans offer a truly unique, deal-saving option that few understand. While you may know that VA has a seller concession limit of 4% of the sales price, you might not know WHAT is included in that 4%.

### Sellers can pay up to 4% in sales concessions to include:

- Buyer's funding fee
- Prepaid taxes and insurance
- Gifts such as television or microwave
- Interest rate buy down points
- Temporary buy down funds
- **Payoff of credit balances or judgments on behalf of the buyer (amazing but true).**



**Payment of closing costs** and normal discount points (that aren't for the purpose of buying down the interest rate) **are NOT included in the 4% limitation.**

So don't look at a sales price of \$200,000 and calculate that a seller can only pay \$8,000 (4% of \$200,000) on behalf of the borrower. A seller could pay \$8,000 towards the buyer's prepaid taxes and insurance and debt PLUS \$3000 towards the buyer's closing costs, totaling \$11,000 paid by the seller.

This would still comply with the 4% limitation because closing costs are not included in the 4% limitation.

**Call me for complete information on assisting your VA borrowers!**

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Provided to you courtesy of:

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