



## The 8 Biggest Mistakes when buying a home with a VA loan (ones that can cost you thousands of dollars):

1. **Certificate of Eligibility (COE) is not updated** – eligibility can be an issue, possible prior loans where eligibility was never restored. A skilled lender will get this for you when you begin your home loan search or get it restored if needed.
2. **Working with a lender with little or no VA experience** – not sure how to get you approved. Mistakes in submission of your file can be costly.
3. **Submitting an offer to purchase a home with a VA loan that is not correct** – not accounting for non-allowable expenses. These fees in your VA mortgage are not allowed to be paid by the veteran, more often than not the seller pays them.
4. **Not understanding the VA Funding Fee** - Most veteran's roll their VA funding fee into the loan amount so they do not need to come out of pocket for this fee which can be up to 1.5% of the loan amount. There are times when this increased loan amount can disqualify you from getting your mortgage and can kill the transaction.
5. **Termite work not done prior to getting loan documents** - Termite work on a VA loan must be done before you can order loan documents.
6. **Not accounting for spouse's debt in debt to income calculation** - If spouse is not on the application as far as income is concerned that person still must have their debts included for DTI calculations. If you go over the allowable DTI limits you would no longer qualify for a VA loan with that lender.
7. **Residual income not considered in qualifying the borrower** - Residual income is a required calculation for VA loans that shows VA that you have enough income each month to pay your other bills, not just your mortgage. Not understanding what to include could kill the transaction, for example square footage calculation to account for maintenance.
8. **Possible appraisal delays** – Appraisers are allowed up to 10 business days to get back to you from when they receive the appraisal order. This is important to understand early in the transaction so you must order the appraisal as quickly as possible to meet contingency deadlines.

### Dan Williams - Your VA Loan Expert

Helpful Links: [www.niofe.org](http://www.niofe.org); [www.homeloans.va.gov](http://www.homeloans.va.gov); [www.sandiegolending.us](http://www.sandiegolending.us)