

VA Loans are Great for Refinancing for Veterans and Active Duty Service Member Home Owners

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VA loans are not only easier to get conventional and FHA Mortgage loans, but they're easier to refinance when the need arises.

[VA Loan Refinance Rates](#) are at a record low. The Veterans Administration is encouraging Veteran and Active Duty Service member Homeowners to take advantage of the 2011 Veteran Benefits Improvement Act as well as the Low VA Loan Refinance Rates.

Department of Veterans Affairs refinancing is open to Approving VA Loans for Veterans and Active Duty Service Members with below average credit scores and requires no mortgage insurance like FHA Mortgage Loans.

[Current VA loan rates](#) are more favorable as those given to civilians with stellar credit scores in non VA loans. The **2011 Veteran Benefit Improvement Act** allows the Veteran or Active Duty Service Member to borrow up the 100 percent reasonable value given by a VA Loan appraiser, this not allowed without VA backing and approval.

A Conventional "Civilian" mortgage loan refinance only allows up 80% Value of the home to approve as a loan amount at a current rate of 4.625% for \$200,000.00 loan amount that is a monthly payment of \$1,028.28. A FHA "Civilian" mortgage loan allows up maximum for 90% Refinance of the Value of the home at a 30 year fixed rate at 4.99% Plus monthly mortgage insurance premium that could be couple of hundred dollars. For a loan amount of \$200,000.00

with the FHA monthly mortgage insurance premium that is monthly payment of \$1,277.42.

A Veteran with a \$200,000.00 loan amount, Refinancing out of a conventional or FHA "civilian" loan and into a VA loan can save up to \$249.14 monthly for 30 years that is saving of \$89,690.86 in interest for the life of the loan. "We have calculated in 2011 an average saving of \$393.00 monthly for Veterans refinancing into a VA Loan form any conventional loan" Say Travis Bills Vice President of The VA Hotline Inc in California owned by Mortgage banking giant All American Lending.

2011 Veteran Benefits Improvement Act for empowers Veterans and Active Duty Service members Homeowners financially by giving them an option to save thousand of dollars.

That makes VA a loan the best mortgage loan available if you qualify for it. Closing costs are limited and regulated by the Veterans Administration ensuring every VA loan has benefit out weighing the cost. Ensuring No Veteran or Active Duty Service member homeowner is being taken advantage of. For this reason allot of people whom qualify for VA Loans are always "steered" away from a VA Loan.

[To find out why Veterans are "steered" away from a VA Loan Refinance, click on this link .](#)

Your path to a new VA loan depends on whether you want cash back from your refinance, if you have been delinquent on your current mortgage loan whether it's a VA loan or not.

Here's how to get started:

*Cash out VA loan refinancing -- **Get cash from your home equity.***

If you're fortunate enough to have equity in your home in this market and you need cash to pay off other debts, improve your home, buy a car, pay tuition or any other purpose, cash out VA Loan refinance loan your best bet.

To qualify, you must live in the home and have enough equity in it. It doesn't matter how long you have lived in the home. You can refinance up to 100% of your home's appraised value to pay of high interest items like a 2nd mortgage loan.

This process will take a little more work and time than the VA Loan streamline option for those whom already in a VA Loan. You must requalify for the loan with the Veterans Administration and have your home appraised by an appraiser that is approved with the Veteran Administration. Like any refinancing, you'll pay closing costs, although in a VA Loan your closing costs are limited, allot of "Junk Fees" can NOT be charged, therefore ensuring a guaranteed benefit of a VA Loan to the Veteran, you can add them to your loan. The only out of pocket expense is the VA Loan Appraisal and the Termite inspection.

Streamline VA loan -- The fastest, easiest way to refinance for those whom are fortunate enough to already be in VA Loan.

If all you want to do is take advantage of lower interest rates and you're already in VA Loan, the streamline loan is for you. It's available to veterans who have been current on their mortgage payments for the last 12 months.

The streamline VA loan may not be available to you if your marriage status has changed. If you took out the original VA home loan with a spouse you are no longer married to or if you want to apply with a new spouse, you must go through the qualification process just as you did with the first VA mortgage loan.

What makes a streamline VA mortgage loan so easy is that you can possibly get a new loan at a lower interest rate without having to document your income, have your house inspected or appraised or even undergo a credit check. The Veterans Administration has become more stringent on VA Loan Refinance and may require an appraisal due to falling values. This assessed by the Veteran Loan Administration on case by case scenario.

You will have closing costs, points and funding fees, as with any refinance, but these costs can be rolled into the new loan. Once again the only out of pocket expense is the VA Loan Appraisal

and the Termite inspection.

Other than the amount of your closing costs, you aren't allowed to borrow more than you need to refinance the balance on your current loan on a VA Loan Streamline Refinance. The purpose of the program is to reduce your monthly interest payments, so you're not allowed to get cash back or consolidate other loans into your VA loan, no matter how much equity you have.

VA loan refinance benefits

The loan officer must assure the VA that the loan will help you by comparing the old interest rate and payments on the old loan with those on the new one. They also must figure out how long it will take you to recoup your closing costs, whether you pay them out of pocket or add them to your loan.

The VA will get your credit report and other information to make sure you are qualified for your new beneficial VA loan.