CAPITAL FINANCIAL GROUP
CORPORATION

HOW VA LOANS REALLY WORK

You Already Made the Down Payment. It Was Called Service.

Prepared for Veterans, Service Members, and Surviving Spouses
Capital Financial Group Corporation | Jupiter, FL | NMLS #2547138

The benefit you earned is still unused if you're renting.

There is a massive misconception in today's housing market that VA loans are too difficult to close. Sellers get nervous. Uneducated agents turn down well-qualified veteran buyers. That is wrong. A VA home loan is one of the most powerful mortgage products available: $0 down on eligible purchases, no monthly private mortgage insurance (PMI), and competitive interest rates. You earned this benefit. Do not let an uneducated market scare you away from using it.

What a VA Loan Actually Is

A VA loan is a mortgage guaranteed by the U.S. Department of Veterans Affairs. The VA guarantee takes the place of a traditional down payment and PMI. That is why eligible Veterans, active-duty service members, qualifying National Guard and Reserve members, and certain surviving spouses can purchase a primary residence with no down payment when they have sufficient entitlement.

- **$0 down** on eligible purchases with full entitlement — no 3%, 5%, or 20% cash requirement from the VA.
- **No monthly PMI.** Conventional loans under 20% down carry private mortgage insurance for years. VA does not.
- **Competitive rates.** Because the loan is government-backed, pricing is often among the strongest available for a given credit profile.
- **Reusable benefit.** This is not a one-time coupon. Entitlement can be restored after a sale or used again with remaining entitlement.
- **Seller concessions up to 4%** of reasonable value, plus the seller may pay allowable closing costs. That can cover prepaid taxes, insurance, the funding fee, or a rate buydown.

Why Sellers and Agents Still Push Back — And Why They're Wrong

The reputation problem is old. Decades ago, VA appraisals and paperwork moved slowly. That is not the 2026 market. Experienced VA lenders close on timelines comparable to conventional loans. The VA Minimum Property Requirements ask that a home be safe, structurally sound, and sanitary — not that it be new construction.

- **Myth: “VA takes too long.”** Reality: With a complete file and a lender who originates VA every week, contract-to-close is typically in the same 30–45 day window as conventional.
- **Myth: “The VA appraisal will kill the deal.”** Reality: MPRs are reasonable. Repair items are usually limited to health and safety. Appraisal-gap language and a strong pre-approval keep the offer competitive.
- **Myth: “Sellers have to pay the veteran's costs.”** Reality: VA limits certain fees the veteran may pay, but the seller is not required to fund the entire closing. Concessions are negotiated like any other offer.
- **Myth: “Zero down means a weak buyer.”** Reality: The VA guarantee is the down payment. Residual income, credit, occupancy, and entitlement still have to clear. A well-structured VA buyer is often the most qualified person at the table.

How we present VA offers so they get accepted

We specialize in getting VA offers presented and closed. That means a full pre-approval (not a pre-qual letter), a clear explanation of entitlement and funding-fee treatment for the listing agent, realistic appraisal timing, and contract language that addresses gap coverage when the market requires it. An uneducated listing agent is a communication problem — not a loan-product problem.

The Numbers That Matter in 2026

Funding fee (purchase / construction; rates in effect since April 2023 and still current in 2026):

- First use, less than 5% down: **2.15%** of the loan amount.
- Subsequent use, less than 5% down: **3.30%**.
- 5%–9.99% down (any use): **1.50%**. 10%+ down (any use): **1.25%**.
- IRRRL streamline refinance: **0.50%**. Veterans with qualifying service-connected disability compensation, certain surviving spouses receiving DIC, and active-duty Purple Heart recipients are typically **exempt**.

The funding fee can be paid in cash or rolled into the loan. It is the cost that replaces years of PMI — and it is often cheaper over the life of the loan than conventional mortgage insurance.

Entitlement and loan size: Veterans with **full entitlement** are not capped by the conforming limit. The 2026 baseline one-unit conforming limit is **$832,750** (Monroe County / Florida Keys high-cost limit **$990,150**). Full entitlement can support $0-down loans above those figures subject to lender credit overlays, appraisal, and residual income. Partial entitlement (an active VA loan, unrestored prior use, or prior foreclosure) is where county limits and a possible cash down payment come back into the math.

Who Qualifies

Eligibility is service-based, not “first-time buyer” based. Typical paths include wartime or peacetime service meeting minimum active-duty days, current active duty after the required period, qualifying Guard/Reserve service, and certain surviving spouses. The document that proves it is the **Certificate of Eligibility (COE)**. We pull that early so there are no surprises after you find a house.

Occupancy: VA purchase loans are for a primary residence. You generally must intend to occupy within a reasonable period (commonly 60 days). Investment property is a different product — that is where DSCR and conventional investment programs apply, not the VA purchase benefit.

Credit and residual income: There is no single VA-published FICO floor, but most lenders look for mid-580s to 620+ depending on the overlay. VA also tests **residual income** — cash left after the proposed PITI and other debts — using regional tables. Florida is in the South region. That test is often more meaningful than a raw DTI percentage.

Is a VA Loan Right for You Right Now?

It works best when you are buying (or refinancing) a home you will live in, you have remaining or restorable entitlement, and you want to keep cash in reserve instead of writing a down-payment check. It is usually the wrong tool if the property is a pure investment, the COE will not support the price with $0 down and you are unwilling to bring cash, or the home cannot meet minimum property standards without major work the seller will not address.

Let's run your entitlement and a real payment

Send the property address or a price range, household size, and whether this would be a first or subsequent VA use. We will check the COE, estimate funding fee vs. exemption, and show $0-down payment including Florida taxes and insurance — the line items that actually move the monthly number in Palm Beach, Broward, and the Treasure Coast.

Ready to use the benefit you already earned?

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Comment VA, call, or send the deal. We specialize in getting VA offers presented and closed for eligible Veterans, service members, and surviving spouses. White-glove file management — so the listing agent is never guessing.

This guide is for educational and informational purposes only and does not constitute an offer to lend, financial advice, or a commitment to any loan product. VA eligibility, entitlement, funding fees, residual-income standards, property requirements, and lender overlays are subject to change and depend on individual service history, creditworthiness, occupancy, and the property. Confirm current figures with a licensed mortgage loan officer and the Department of Veterans Affairs. Capital Financial Group Corporation is an Equal Housing Lender. NMLS #2547138. Not affiliated with the U.S. Department of Veterans Affairs.