

Buying a House as a Veteran

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As a veteran, you know the importance of preparation. Since buying a house is one of the biggest decisions you'll make during your lifetime, knowing what you'll encounter along the way is a must. If you're a veteran looking to purchase your first home, [Veterans of Foreign Wars](#) shares everything you need to do to get it right.

Figuring Out Finances

First and foremost, you need to examine the financial aspects of buying a house. In many cases, starting with your credit score is wise.

Technically, the federal government didn't set a minimum credit score requirement for VA loans. However, most lenders choose to have one. Additionally, barring a few exceptions, other loans typically have a minimum set in the [580 to 620](#) range, though higher scores usually lead to better interest rates.

Before you start house shopping, review your credit report. Report any errors to the bureaus. That way, your score can be as high as possible.

It's also smart to review your debt. Having a debt-to-income ratio of 36 percent or less makes you more appealing to lenders. If yours is higher, spend time paying off debt before you buy a house.

If you're worried about affordability, make sure your prospective mortgage payment is at or below [28 percent](#) of your gross income. Since homeowner's insurance and property taxes are usually integrated into your mortgage payment, you'll want to factor that into the equation.

Keep in mind that if buying a new home isn't within your budget right now, a [loan modification](#) could make paying your current mortgage more affordable. You may be eligible for a loan modification if you've dealt with a reduction in your income or suffered a hardship that made it more difficult to pay your monthly bills.

Exploring Home Loans

Veterans may be able to get a variety of home loans and housing resources, each with its own benefits, drawbacks, and requirements. You'll want to see what each one involves, ensuring you can pick the right approach for you.

In most cases, mortgages fall into one of the five categories below:

- Conventional
- VA
- FHA
- USDA
- Jumbo

There are also two interest rate types: fixed-rate and adjustable-rate. Plus, you'll see different term lengths, with 10, 15, 20, and 30 years being the most widely available options.

Do some research to see which loan type may work best for you. Then, you can go through the preapproval process with a few lenders, allowing you to compare their proposals and get the best deal.

Conducting Property Searches

While you can look for properties independently, working with a realtor is usually a better option. These real estate professionals know their local market and can guide you through the home buying process.

When you meet with your realtor for the first time, be upfront about your budget. Additionally, let them know if there are any must-haves or deal breakers for properties, including features, [neighbourhoods](#), size, and more.

Once your realtor has some properties to check out, give them feedback along the way. That helps them narrow in on what you want, allowing them to find you the right house faster.

Offers, Negotiations, and Closing

When you find a house, you want to buy, you'll place a formal offer. The offer includes your proposed price, special requests (like having the seller cover closing), or any contingencies.

Once you've sent that to the seller, some negotiations are normal. You'll go back and forth until you can agree on a price. After that happens, you'll schedule an [appraisal](#) and [home inspection](#) to assess the value and condition of the home.

With the inspection and appraisal reports in mind, you'll go through another round of [negotiations](#). You may request repairs or reduce your proposed price depending on what those assessments revealed.

Ideally, you and the seller will reach a new agreement. If that occurs, your lender will finalize your mortgage, and you'll sign the documents at the closing meeting. Once that's handled, you get the keys, and the house is legally yours.



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