LOAN PROGRAM GUIDE

VA Loan Guide

Who is eligible for a VA home loan, how to get your Certificate of Eligibility, how the funding fee and its exemptions work, what entitlement means, and answers for buyers and sellers.

Reviewed November 18, 2026 against the sources listed at the end of this guide.

Who might consider a VA loan

VA home loans are made by private lenders and guaranteed by the U.S. Department of Veterans Affairs. They are a benefit you earned through service. You may be eligible if you are:

- A veteran who meets VA's service requirements
- An active-duty service member
- A current or former member of the National Guard or Reserves who meets the service requirements
- A surviving spouse who meets VA's requirements

VA decides eligibility, not the lender. The document that shows it is your **Certificate of Eligibility (COE)**. VA loans are for homes you will live in as your primary residence.

How it works

Getting your Certificate of Eligibility

You can request a COE three ways:

1. **Through your lender.** We can usually request it for you in minutes through VA's system.
2. **Online** through VA.gov.
3. **By mail** using VA Form 26-1880.

If VA needs more information, such as discharge papers or a statement of service, it will tell you what to send.

No down payment

With full entitlement, VA does not require a down payment, and there is no monthly mortgage insurance. You still need money for closing costs unless the seller or lender covers them, and some buyers choose to put money down to lower the funding fee.

The VA funding fee

Instead of mortgage insurance, most VA borrowers pay a one-time funding fee. It can be paid at closing or added to the loan. These are the rates VA publishes for purchase loans:

Down payment	First use	After first use
Less than 5%	2.15%	3.3%
5% to less than 10%	1.5%	1.5%
10% or more	1.25%	1.25%

For refinances, VA lists 2.15% (first use) or 3.3% (after first use) for a cash-out refinance, and 0.5% for an Interest Rate Reduction Refinance Loan (IRRRL).

Who doesn't pay the funding fee

VA says you don't pay the funding fee if any of these apply:

- You receive VA compensation for a service-connected disability
- You are eligible for disability compensation but receive retirement or active-duty pay instead
- You are a surviving spouse receiving Dependency and Indemnity Compensation (DIC)
- You are a service member with a proposed or memorandum rating, before closing, saying you are eligible for compensation because of a pre-discharge claim
- You are an active-duty service member who received the Purple Heart

Your COE shows whether you are exempt. If your disability rating is pending, tell us; timing can matter.

> **Hypothetical example.** Alicia, a first-time VA user, buys an $800,000 home with no down payment. Her funding fee is 2.15% × $800,000 = $17,200, which she adds to her loan. Her neighbor Marcus receives VA disability compensation, so on the same purchase his funding fee is $0. The figures are illustrations only.

Entitlement and loan limits

Entitlement is the amount VA will guarantee on your behalf.

- **Full entitlement.** If you have never used your benefit, have repaid a past VA loan and sold the home, or had your entitlement restored, VA has no loan limit. You still need to qualify for the payment with the lender.
- **Remaining entitlement.** If a past VA loan is still open, or you lost entitlement on a past loan, county loan limits apply to the part VA will guarantee. You may need a down payment on a larger purchase. In Los Angeles County the 2026 county limit used for this calculation is $1,249,125.

Questions buyers ask

Can I buy a condo? Yes, if the condo project is eligible for VA financing. Ask us to check before you write an offer.

Can I use a VA loan more than once? Yes. Entitlement can be restored after a VA loan is paid off, and in some cases you can have two VA loans at once using remaining entitlement.

Can I buy a two- to four-unit property? Yes, as long as you live in one of the units.

Can I get cash back at closing? No, beyond normal refunds. You can, however, ask the seller to pay some or all of your closing costs.

Questions sellers and agents ask

Is a VA offer harder to close? Not usually. The VA appraisal checks value and that the home meets VA's minimum property requirements, such as being safe and structurally sound. Homes with obvious repair needs may need work before closing.

Does the seller have to pay the buyer's costs? No. The seller can agree to pay closing costs, but it is negotiated like any other offer. VA limits certain seller-paid concessions, so ask us for the current rules when you are structuring an offer.

Does a VA buyer close more slowly? Timelines are usually similar to other loans. Ordering the appraisal promptly and resolving any repair items early help most.

What to gather

- [ ] Your Certificate of Eligibility, or your DD-214 or statement of service so we can request it

- [ ] Your VA disability award letter, if you receive compensation
- [ ] Pay stubs or Leave and Earnings Statements (LES) for the last 30 days
- [ ] W-2s for the last two years; tax returns if self-employed
- [ ] Two months of bank and retirement account statements
- [ ] Details of any current or past VA loan, including whether the home was sold

Questions to ask

- Do I have full or remaining entitlement, and does that affect how much I can borrow without a down payment?
- Am I exempt from the funding fee, and does my COE show it?
- Should I finance the funding fee or pay it in cash?
- What closing costs can I ask the seller to pay?
- Is the condo or property I'm considering eligible?

Your next step

Tell us what you are trying to do and we will tell you, plainly, which options fit and what to gather. There is no cost to talk it through.

Start a free loan evaluation: journeymac.com/evaluation

Call: (626) 716-0585 **Email:** info@journeymac.com

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This guide is general education, not a loan offer, a rate quote or legal, tax or financial advice. Program rules change and lenders add their own requirements; confirm details for your situation before you act. Examples marked "hypothetical" are illustrations only.

Sources

Reviewed November 18, 2026. Program rules change; check the current version of each source.

1. VA: VA funding fee and loan closing costs
   www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/
2. VA: How to request a VA home loan Certificate of Eligibility (COE)
   www.va.gov/housing-assistance/home-loans/how-to-request-coe/
3. VA: VA home loan limits and entitlement
   www.va.gov/housing-assistance/home-loans/loan-limits/
4. Freddie Mac: Loan limit values for 2026 (used for county limits)
   sf.freddiemac.com/articles/news/loan-limit-values-for-2026
5. CFPB: Review your Loan Estimates
   www.consumerfinance.gov/owning-a-home/compare/review-loan-estimates