

VA Mortgage Options Available

Veterans with conventional home loans now have new options for refinancing to a Department of Veterans Affairs (VA) guaranteed home loan. These new options are available as a result of the Veterans' Benefits Improvement Act of 2008, which the President signed into law on October 10, 2008. These changes will allow VA to assist a substantial number of veterans with subprime mortgages refinance into a safer, more affordable, VA guaranteed loan. Veterans in financial distress due to high rate subprime mortgages are potentially the greatest beneficiaries. VA has never guaranteed subprime loans. However, as a result of the new law VA can now help many more veterans who currently have subprime loans.

The new law makes changes to VA's home loan refinancing program. Veterans who wish to refinance their subprime or conventional mortgage may now do so for up to 100 percent of the value of the property. These types of loans were previously limited to 90 percent of the value. Additionally, Congress raised VA's maximum loan amount for these types of refinancing loans. Previously, these refinancing loans were capped at \$144,000. With the new legislation, such loans may be made up to \$729,750 depending on where the property is located. Increasing the loan-to-value ratio and raising the maximum loan amount will allow more qualified veterans to refinance through VA, allowing for savings on interest costs or even potentially avoiding foreclosure.

Originally set to expire at the end of this month, VA's authority to guaranty Adjustable Rate Mortgages (ARMs) and Hybrid ARMs was also extended under this new law through September 30, 2012. Unlike conventional ARMs and hybrid ARMs, VA limits interest rate increases on these loans from year to year, as well as over the life of the loans. For more information, or to obtain help from a VA Loan Specialist, veterans may call VA at 1-877-827-3702 or visit www.homeloans.va.gov.

There are many state and federal benefits and programs available to veterans and their dependents. To find out if you are eligible for any of these benefits, visit or call our office. We can and will assist you in completing all required application forms. You can also get information on the web from the Kings County Veterans Service Office website at www.countyofkings.com.

- Joe Wright, retired Navy Master Chief Petty Officer, is the Veterans Service Officer for Kings County. Send your questions to the Veterans Service Office, 1400 West Lacey Blvd, Hanford, CA 93230, and the phone number is 582-3211 ex. 2662 or email joe.wright@co.kings.ca.us.