

Home Buying for Veterans

"You've defended the American dream, now live it."

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Edina Realty[®]

a Berkshire Hathaway affiliate

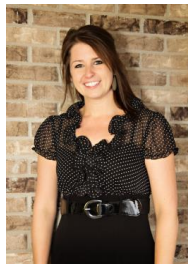
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The Anonen Williams Team

Lori Anonen



Lori is a member of the National Association of REALTORS. She is a wife, and mother to three children. In her free time she enjoys assistant coaching youth sports, going to the cabin, and reading. It is her objective to ensure a smooth process, from start to finish, for all of her clients.

Brad Williams

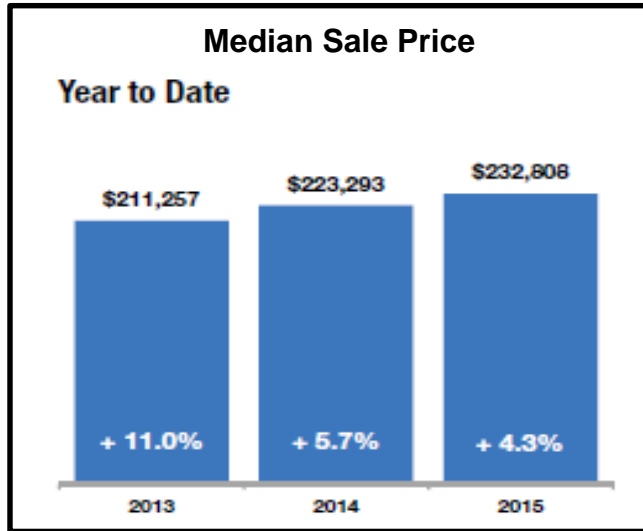


Brad is a member of the National Association of REALTORS. He's served in the military for over 15 years, and is a Veteran of 4 tours in Iraq and Afghanistan. In his free time, he enjoys golfing, reading, and spending time with friends and family. It is his objective to educate all Veterans on the benefits of home ownership, and the programs available to them.

Our Mission

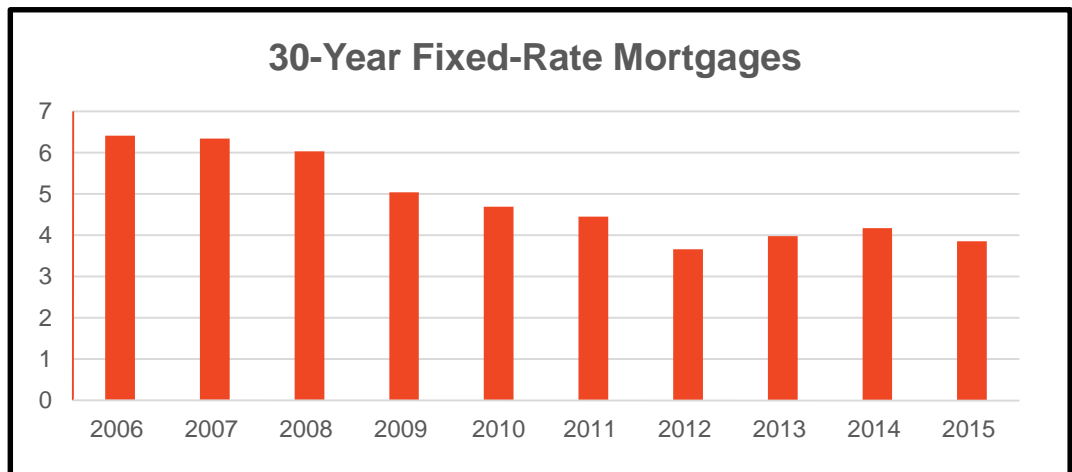
Our mission is to provide world-class service to our clients. We will accomplish this by gaining the trust of our clients and ensuring they're the most informed clients in the marketplace. Whether first-time homeowners, or seasoned investors, our clients will be guided through the process by a team that is committed to excellence.

Market Review



"The market recovery has led to a general increase in home equity"

"Low interest rates, resulting in more affordable mortgages, have attracted more buyers to the market"





VA Guaranteed Loan Overview

VA home loan guaranties are issued to help eligible Servicemembers, Veterans, Reservists and National Guard members and certain surviving spouses obtain homes, condominiums and manufactured homes and to refinance homes. Under the Home Loan Guaranty Program, VA does not make loans to Veterans and Servicemembers; VA guarantees loans made by private-sector lenders. The guaranty amount is what VA could pay a lender should the loan go to foreclosure. Loan uses include:

- Buy or build a home
- Buy a residential condominium unit
- Repair, alter, or improve a residence owned by the Veteran and occupied as a home
- Refinance an existing home loan
- Buy a manufactured home and/or lot
- Install a solar heating or cooling system or other energy-efficient improvements

Benefits of a VA Guaranteed Loan

- Equal opportunity for all qualified Veterans to obtain a VA loan
- VA guaranteed loan is reusable (but must be primary residence)
- No down payment (unless required by the lender or the purchase price is more than the reasonable value of the property)
- No mortgage insurance
- One time VA funding fee that can be included in the loan
- Veterans receiving VA disability compensation are exempt from the VA funding fee
- VA limits certain closing costs a Veteran can pay
- Can be assumed by qualified persons
- No commissions, brokerage fees, or “buyer broker” fees may be charged to the Veteran buyer

Key Underwriting Criteria

- No maximum debt ratio; however lender must provide compensating factors if total debt ratio is over 41%
- No maximum loan amount; however, VA does limit its guaranty; Veterans can borrow up to \$417,000
- Published residual income guidelines to ensure Veterans have the capacity to repay their obligations while accounting for all living expenses
- Though there is no minimum credit score requirement to qualify for this program, the lender will have certain credit score criteria

VA Appraisals

No loan can be guaranteed by VA without first being appraised by a VA-assigned fee appraiser. A lender can request a VA appraisal through VA systems. The Veteran borrower typically pays for the appraisal upon completion, according to a fee schedule approved by VA. This VA appraisal estimates value of the property. It is not an inspection and does not guarantee the house is free of defects. VA guarantees the loan, not the condition of the property. A thorough inspection of the property by a reputable inspection firm may help minimize any problems that could arise after loan closing. In an existing home, particular attention should be given to plumbing, heating, electrical, and roofing components.

Required Occupancy

To qualify for a VA home loan, a Veteran or the spouse of an active-duty Servicemember, must certify that he or she intends to occupy the home. A dependent child of an active-duty Servicemember also satisfies the occupancy requirement. When refinancing a VA-guaranteed loan solely to reduce the interest rate, a Veteran need only certify to prior occupancy.

Closing Costs

For purchase home loans, payment in cash is required on all closing costs, including title search and recording fees, hazard insurance premiums and prepaid taxes. For refinancing loans, all such costs may be included in the loan, as long as the total loan does not exceed the reasonable value of the property. Interest rate reduction loans may include closing costs, including a maximum of two discount points.

The seller can pay for some closing costs. (Under our rules, a seller's "concessions" can't exceed 4% of the loan. But only some types of costs fall under this 4% rule. Examples are: payment of pre-paid closing costs, VA funding fee, payoff of credit balances or judgments for the Veteran, and funds for temporary "buydowns." Payment of discount points is not subject to the 4% limit.) Closing costs such as the VA appraisal, credit report, state and local taxes, and recording fees may be paid by the purchaser, the seller, or shared.

Financing, Interest Rates and Terms

Veterans obtain VA-guaranteed loans through the usual lending institutions, including banks, credit unions, and mortgage brokers. VA-guaranteed loans can have either a fixed interest rate or an adjustable rate, where the interest rate may adjust up to one percent annually and up to five percent over the life of the loan. VA does not set the interest rate. Interest rates are negotiable between the lender and borrower on all loan types.

Veterans may also choose a different type of adjustable rate mortgage called a hybrid ARM, where the initial interest rate remains fixed for three to 10 years. If the rate remains fixed for less than five years, the rate adjustment cannot be more than one percent annually and five percent over the life of the loan. For a hybrid ARM, with an initial fixed period of five years or more, the initial adjustment may be up to two percent. The Secretary has the authority to determine annual adjustments thereafter.

Currently, annual adjustments may be up to two percentage points and six percent over the life of the loan. If the lender charges discount points on the loan, the Veteran may negotiate with the seller as to who will pay points or if they will be split between buyer and seller. Points paid by the Veteran may not be included in the loan (with the exception that up to two points may be included in interest rate reduction refinancing loans). The term of the loan may be for as long as 30 years and 32 days.

Loan Assumption Requirements and Liability

VA loans made on or after March 1, 1988, are not assumable without the prior approval of VA or its authorized agent (usually the lender collecting the monthly payments). To approve the assumption, the lender must ensure that the purchaser is a satisfactory credit risk and will assume all of the Veteran's liabilities on the loan. If approved, the purchaser will have to pay a funding fee that the lender sends to VA, and the Veteran will be released from liability to the federal government.

Loans made prior to Mar. 1, 1988, are generally freely assumable, but Veterans should still request the lender's approval in order to be released of liability. Veterans whose loans were closed after Dec. 31, 1989, usually have no liability to the government following a foreclosure, except in cases involving fraud, misrepresentation, or bad faith, such as allowing an unapproved assumption. However, for the entitlement to be restored, any loss suffered by VA must be paid in full.

A release of liability does not mean that a Veteran's guaranty entitlement is restored. That occurs only if the borrower is an eligible Veteran who agrees to substitute his or her entitlement for that of the seller. If a Veteran allows assumption of a loan without prior approval, then the lender may demand immediate and full payment of the loan, and the Veteran may be liable if the loan is foreclosed and VA has to pay a claim under the loan guaranty.

Eligibility Criteria

“Contact the Anonen Williams Team for assistance in determining your eligibility”

Generally, the following people are eligible:

- Veterans who meet length of service requirements
- Servicemembers on active duty who have served a minimum period
- Certain Reservists and National Guard members
- Certain surviving spouses of deceased Veterans

Status	Qualifying Wartime & Peacetime Periods	Qualifying Active Duty Dates	Minimum Active Duty Service Requirement
Veteran	WWII	9/16/1940 - 7/25/1947	90 total days
	Post-WWII	7/26/1947 - 6/28/1950	181 continuous days
	Korean War	6/27/1950 - 1/31/1955	90 total days
	Post-Korean War	2/1/1955 - 8/4/1964	181 continuous days
	Vietnam War	8/5/1964 - 5/7/1975 *For Veterans who served in the Republic of Vietnam, the beginning date is 2/28/1961	90 total days
	Post-Vietnam War	5/8/1975 - 9/7/1980 *The ending date for officers is 10/16/1981	181 continuous days
	24-month rule	9/8/1980 - 8/1/1990 *The beginning date for officers is 10/17/1981	<ul style="list-style-type: none"> • 24 continuous months, OR • The full period (at least 181 days) for which you were called or ordered to active duty
Gulf War	8/2/1990 - Present	<ul style="list-style-type: none"> • 24 continuous months, OR • The full period (at least 90 days) for which you were called or ordered to active duty 	
Currently On Active Duty	Any	Any	90 continuous days
National Guard & Reserve Member	Gulf War	8/2/1990 - Present	90 days of active service
			<ul style="list-style-type: none"> • Six years of service in the Selected Reserve or National Guard, AND <ul style="list-style-type: none"> • Were discharged honorably, OR • Were placed on the retired list, OR • Were transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service characterized as honorable, OR • Continue to serve in the Selected Reserve

*If you do not meet the minimum service requirements, you may still be eligible if you were discharged due to hardship, the convenience of the government, reduction-in-force, certain medical conditions, or a service-connected disability.

Spouses

The spouse of a Veteran can also apply for home loan eligibility under one of the following conditions:

- Un-remarried spouse of a Veteran who died while in service or from a service connected disability, or
- Spouse of a Servicemember missing in action or a prisoner of war
- Surviving spouse who remarries on or after attaining age 57, and on or after December 16, 2003
(Note: a surviving spouse who remarried before December 16, 2003, and on or after attaining age 57, must have applied no later than December 15, 2004, to establish home loan eligibility. VA must deny applications from surviving spouses who remarried before December 6, 2003 that are received after December 15, 2004.)
- Surviving Spouses of certain totally disabled veterans whose disability may not have been the cause of death

Other Eligible Beneficiaries

You may also apply for eligibility if you fall into one of the following categories:

- Certain U.S. citizens who served in the armed forces of a government allied with the United States in World War II
- Individuals with service as members in certain organizations, such as Public Health Service officers, cadets at the United States Military, Air Force, or Coast Guard Academy, midshipmen at the United States Naval Academy, officers of National Oceanic & Atmospheric Administration, merchant seaman with World War II service, and others

Restoration of Entitlement

Veterans can have previously-used entitlement "restored" to purchase another home with a VA loan if:

- The property purchased with the prior VA loan has been sold and the loan paid in full, or
- A qualified Veteran-transferee (buyer) agrees to assume the VA loan and substitute his or her entitlement for the same amount of entitlement originally used by the Veteran seller. The entitlement may also be restored one time only if the Veteran has repaid the prior VA loan in full, but has not disposed of the property purchased with the prior VA loan. Remaining entitlement and restoration of entitlement can be requested through the VA Eligibility Center by completing VA Form 26-1880.

Applying for Certificate of Eligibility

Servicemembers, Veterans, and National Guard and Reserve Members

Apply online

To get your Certificate of Eligibility (COE) online, please go to the eBenefits portal (<https://www.ebenefits.va.gov/ebenefits/homepage>). If you already have login credentials, click the Login box, and if you need login credentials, click the Register box and follow the directions on the screen. If you need any assistance please call the eBenefits Help Desk at 1-800-983-0937. Their hours are Monday-Friday, 8am to 8pm EST.

Apply through your lender

“Most lenders can access your certificate of eligibility in a matter of seconds.”

Most lenders have access to the Web LGY system. This Internet-based application can establish eligibility and issue an online COE in a matter of seconds. Not all cases can be processed through Web LGY - only those for which VA has sufficient data in their records. However, Veterans are encouraged to ask their lenders about this method of obtaining a certificate.

Apply by mail

Use VA Form 26-1880, Request for Certificate of Eligibility.
Send the completed form to:

VA Loan Eligibility Center
Attn: COE (262)
PO Box 100034
Decatur, GA 30031

Surviving Spouses

Spouses can download the VA form 26-1817 and take to their lender for processing (see Apply through your Lender above) or may mail the form and DD214 (if available) to the address above.

Funding Fee

Purchase and Construction Loans

Type of Veteran	Down payment	Percentage for First time Use	Percentage for Subsequent Use
Regular Military	None	2.15%	3.3% *
	5% or more	1.50%	1.50%
	10% or more	1.25%	1.25%
Reserves/National Guard	None	2.4%	3.3% *
	5% or more	1.75%	1.75%
	10% or more	1.5%	1.5%

Cash-Out Refinancing Loans

Type of Veteran	Percentage for First Time Use	Percentage for Subsequent Use
Regular Military	2.15%	3.3% *
Reserves/National Guard	2.4%	3.3% *

VA Funding Fees

A funding fee must be paid to VA, unless the Veteran is exempt from such a fee. The fee may be paid in cash or included in the loan. Closing costs such as VA appraisal, credit report, loan processing fee, title search, title insurance, recording fees, transfer taxes, survey charges, or hazard insurance may not be included for purchase home loans.

“VA funding fee and up to \$6,000 of energy-efficient improvements can be included in VA loans.”

All Veterans, except those who are specified by law as exempt, are charged a VA funding fee (see chart above). Currently, exemptions from the funding fee are provided for those Veterans and Servicemembers receiving VA disability compensation, those who are rated by VA as eligible to receive compensation as a result of pre-discharge disability examination and rating, and those who would be in receipt of compensation, but who were recalled to active duty or reenlisted and are receiving active-duty pay in lieu of compensation. Additionally, unmarried surviving spouses in receipt of Dependency and Indemnity Compensation may be exempt from the funding fee. For all types of loans, the loan amount may include this funding fee.

VA funding fee and up to \$6,000 of energy-efficient improvements can be included in VA loans. However, no other fees, charges, or discount points may be included in the loan amount for regular purchase or construction loans. For refinancing loans, most closing costs may be included in the loan amount.

Ten Steps to Home Buying

Here's a quick look at the steps you'll take when buying your first home with Edina Realty:

1. Go to one of our Free Home Seminars to get valuable home buying tips, information on the current housing market and financial advice.
2. Figure out how much home you can afford. You can do this by using our Finance Center Tools.
3. Learn about home financing and start the pre-approval process.
4. Conduct a preliminary search with Edina Realty's Property Finder. You may even want to save some of your searches and schedule home showings online.
5. Contact an Edina Realty REALTOR® to look for a house that meets your needs.
6. Once you find a home that you want to make an offer on, you'll sign a purchase agreement and give the seller earnest money to seal the deal. If your offer is accepted (sometimes with contingencies), determine a date you wish to close.
7. Have your new home inspected to ensure there's nothing seriously wrong with the property and get homeowner's insurance to protect yourself against any unforeseen calamity.
8. Notify your mortgage consultant that you've found a property so they can begin the appraisal and title process. And, lock in your interest rate. Your mortgage consultant will send you a new good faith estimate which shows your monthly mortgage payment as well as your estimated cash needed for closing. Edina Realty Title will notify you of the time and date you close on your home and the items you'll need to bring to closing.
9. Notify your phone company, utilities (don't forget water and sewer), moving company, post office, newspaper and magazines, friends and family (see our moving checklist) and change your mailing address.
10. Pack and move!

Buying & Selling in the Winter

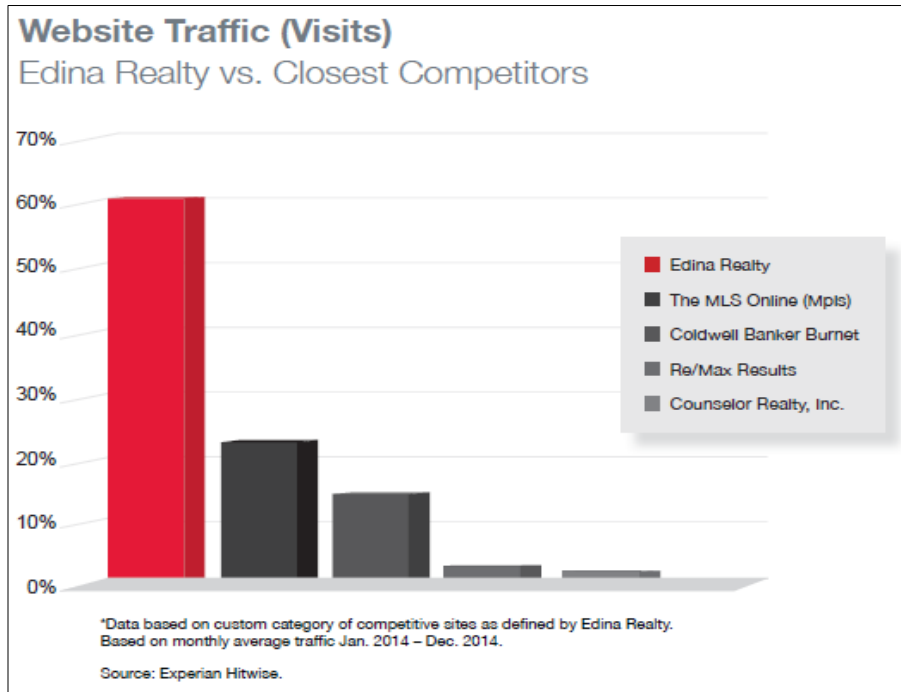
Whether it's January or June, there's no "off season" for home sales. Homebuyers are always looking for the perfect home to buy; they purchase homes every month of the year. Thinking about listing your home for sale? Don't wait. The sooner you list, the sooner the right buyer may come along to purchase your home.

Percentage of Sales by Month

MONTH	PERCENT	# of UNITS
Jan	6%	2772
Feb	6%	3147
Mar	8%	4079
Apr	10%	5018
May	11%	5206
Jun	11%	5246
Jul	10%	5092
Aug	10%	4758
Sep	8%	4134
Oct	9%	4212
Nov	6%	2968
Dec	6%	2920
Total		49,552

Based on information from the REGIONAL MULTIPLE LISTING SERVICE OF MINNESOTA INC. for the year 2014 and represents pending sales for the 13-county metro area.

Market Leader



For the 15th consecutive year, Edina Realty was the number one real estate firm in the Minnesota and western Wisconsin marketplace.

Leader in Closed Transactions

- Edina Realty had 43% more closed transactions than our next closest competitor (Coldwell Banker Burnet).
- Over 21,000 transactions in 2014*

Leader in New Listings Taken

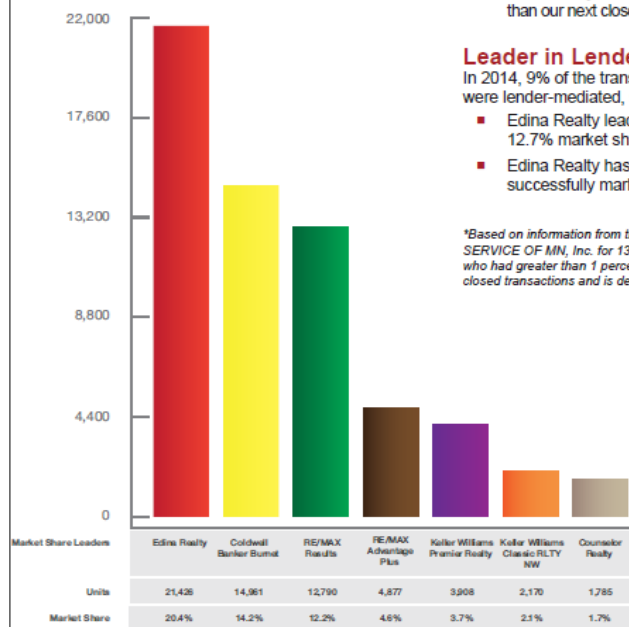
- Edina Realty listed 15,524 properties in 2014*, 39% more than our next closest competitor (Coldwell Banker Burnet).

Leader in Lender-Mediated Transactions

In 2014, 9% of the transactions handled by Edina Realty were lender-mediated, short sales or lender-owned.

- Edina Realty leads the lender-mediated market with 12.7% market share.
- Edina Realty has the experience and track record to successfully market and close complex transactions!

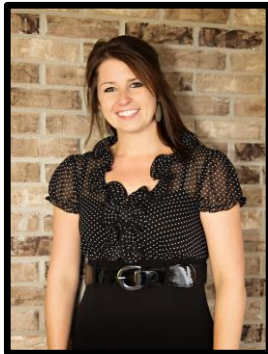
*Based on information from the REGIONAL MULTIPLE LISTING SERVICE OF MN, Inc. for 13-county metro area for 2014 and for brokers who had greater than 1 percent market share. This report is based on closed transactions and is deemed reliable but not guaranteed.



Available Resources

Veterans Affairs (Home Loans)	www.benefits.va.gov/homeloans
E-Benefits Portal	https://www.ebenefits.va.gov/ebenefits/homepage
County Veteran's Service Officer	http://www.macvso.org/directory.aspx
Minnesota Association of REALTORS	www.mnrealtor.com/
Mortgages Unlimited	www.doughunt.com

Contact Information



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