



# MAKING HOMEOWNERSHIP WORK FOR VETERANS

## What to Know Before You Buy—and How to Make It Work After You Do

Buying a home as a veteran or transitioning service member can look a little different—and that's okay. From navigating VA loans to rebuilding credit after leaving service, here's how to make homeownership work for your situation.

### STEP 1: PREPARE BEFORE YOU BUY

#### Check and Rebuild Your Credit

- Request your free credit reports at [AnnualCreditReport.com](https://www.annualcreditreport.com)
- Dispute errors, and focus on paying down high-interest debt first, especially if you relied on credit during the transition from active duty

#### Save Beyond the Down Payment

- VA loans don't require a down payment, but that doesn't mean homebuying is free.
- Save for:
  - **Closing costs** (which can still run 2–5%)
  - **Moving expenses** (especially after a PCS or separation)
  - **First-year maintenance or emergency repairs**
- Use a [spending and savings plan](#) (not just a budget) to set a realistic goal

#### Know What You Can Truly Afford

- Just because the bank approves a loan doesn't mean it fits your lifestyle
- Consider changes in income, loss of housing allowances (like BAH), and increased civilian expenses

- Use the [Veteran Saves Spending and Savings Plan Tool](#) to crunch the numbers

#### Get Pre-Approved—and Ask Questions

- Compare rates from traditional lenders and VA-experienced lenders
- Ask if your lender specializes in VA loans—some charge unnecessary fees or don't explain terms clearly

### STEP 2: UNDERSTAND YOUR MORTGAGE OPTIONS

#### Know Your Loan Type

- **VA Loan:** No down payment, no PMI, but you may have to pay a funding fee (which can be waived in some cases)
- **Fixed-rate:** Payments stay the same
- **Adjustable-rate (ARM):** Starts low, could jump later—**read the fine print**

#### APR vs. Interest Rate

- APR reflects the full cost of the loan, including fees. That's the number to compare.

#### Understand Escrow & Taxes

- Your mortgage payment may include taxes and homeowners insurance—be clear on what's bundled in and what's separate

### Watch Out for Traps

- Ask about balloon payments, refinancing restrictions, and penalties for early payoff
- Be cautious of “too good to be true” deals or aggressive real estate agents targeting veterans

## STEP 3: BUILD EQUITY AND PROTECT YOUR INVESTMENT

### Make Extra Payments When You Can

- Even one extra principal payment a year can save you thousands in interest

### Keep Up With Maintenance

- Don’t skip the small stuff—minor repairs now prevent major expenses later
- Create a home maintenance checklist to stay on track

### Be Cautious with Equity Loans

- Your home isn’t an ATM—use equity only for needs, not wants
- Avoid predatory lenders targeting Veterans with cash-out refinance offers

### Think Long-Term

- Life after the military can be unpredictable. Try not to overextend yourself—your home should provide stability, not stress

## STEP 4: LEAN ON TRUSTED RESOURCES

### VA Housing Assistance

- Learn more about VA loan eligibility, funding fee waivers, and survivor benefits at [va.gov/housing-assistance](https://va.gov/housing-assistance)

### HUD-Approved Housing Counselors

- Free, unbiased help for budgeting and homebuying
- Find a local counselor: <https://www.hud.gov/counseling>

### Community Development Financial Institutions (CDFIs)

- Many CDFIs offer special programs for first-time and Veteran buyers
- Find one near you: <https://ofn.org/cdfi-locator/>

### Take the Veteran Saves Pledge

- Choose the goal “I’m Saving for a Home”
- Get reminders, realistic savings strategies, and stories from veterans like you
- Take the Pledge: <https://veteransaves.org/pledge>

**Veteran Saves is here to support you through every stage of your financial journey.**

Homeownership doesn’t have to be overwhelming when you have a plan and a community.

