

The Veteran Housing Guide

Welcome to our guide for veterans looking to purchase a home.

The team at Military Transition Resources and Calendar (miltrac.org) has compiled this series of short articles to help you, the future veteran homeowner, determine the best path for selecting your future home.

Like Monopoly, the real estate game, we divided this document into color-coded sections.

This document is a work in progress. We will update our content to help you, the military homeowner, and your family make more informed choices when purchasing your future home.

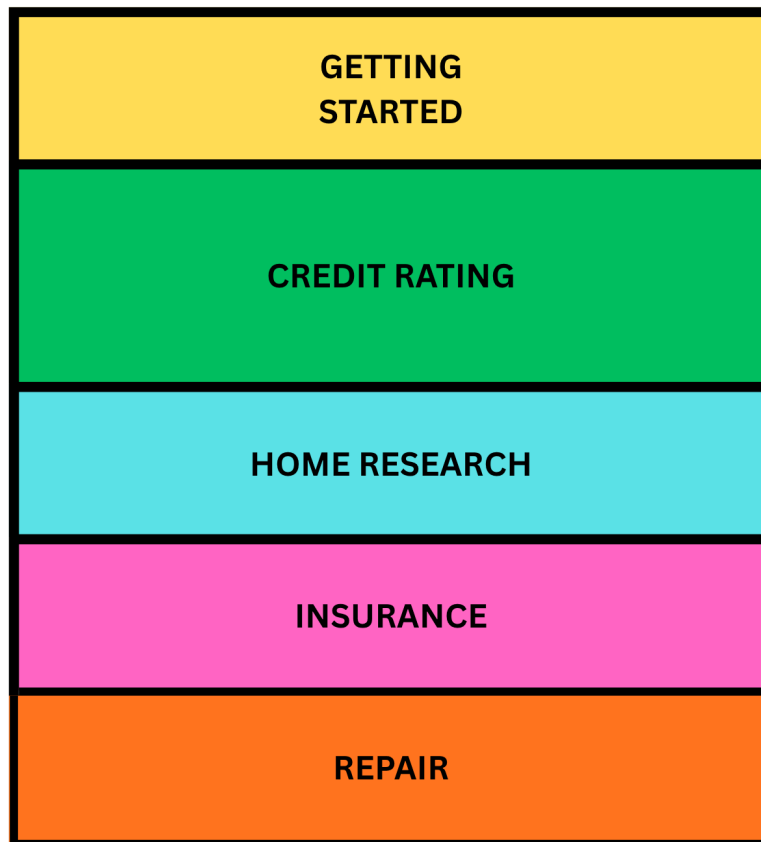


TABLE OF CONTENTS

How to pick your realtor	4
Step 1: Have your paperwork ready	6
Step 2: Obtain a VA certificate of eligibility	8
Credit Score - How to deal with obnoxious robocalls	9
Credit Score - How to Fix Your Credit Score	10
How does my DTI Affect Loans?	11
How does APR Affect Loans?	12
How does residual income impact a mortgage lender's underwriting?	14
Why do I want to shop around for mortgage lenders?	16
How Does a Credit Rating Impact Your Loan?	18
How does homeowner insurance work?	19
How good are the schools near my home?	20
How can I check out my commuting routes?	21
How the VA can provide adaptive housing grants for veterans	22
Should I get two or three quotes for my home?	23
Should I add a home warranty policy?	25
Why would my home need a special PAF?	26
Are my shotguns covered by my insurance policy?	27
Is there special insurance covering my next move?	29
How much should I budget for future home repairs?	32
Home Equity Line of Credit	34

HOW TO PICK YOUR REALTOR



How to pick your realtor

As military members and their families receive orders to relocate, many are also considering purchasing a new home near their duty station. Some others are heading to warm-weather settings like Florida or South Texas to purchase a new home now that all of their children have “left the nest.”

When selecting a realtor, here are some questions a military member or veteran should ask their real estate professional.

Realtors should be familiar with navigating VA appraisals and collaborating with VA-approved lenders. They should also understand zero-down financing available through the VA.

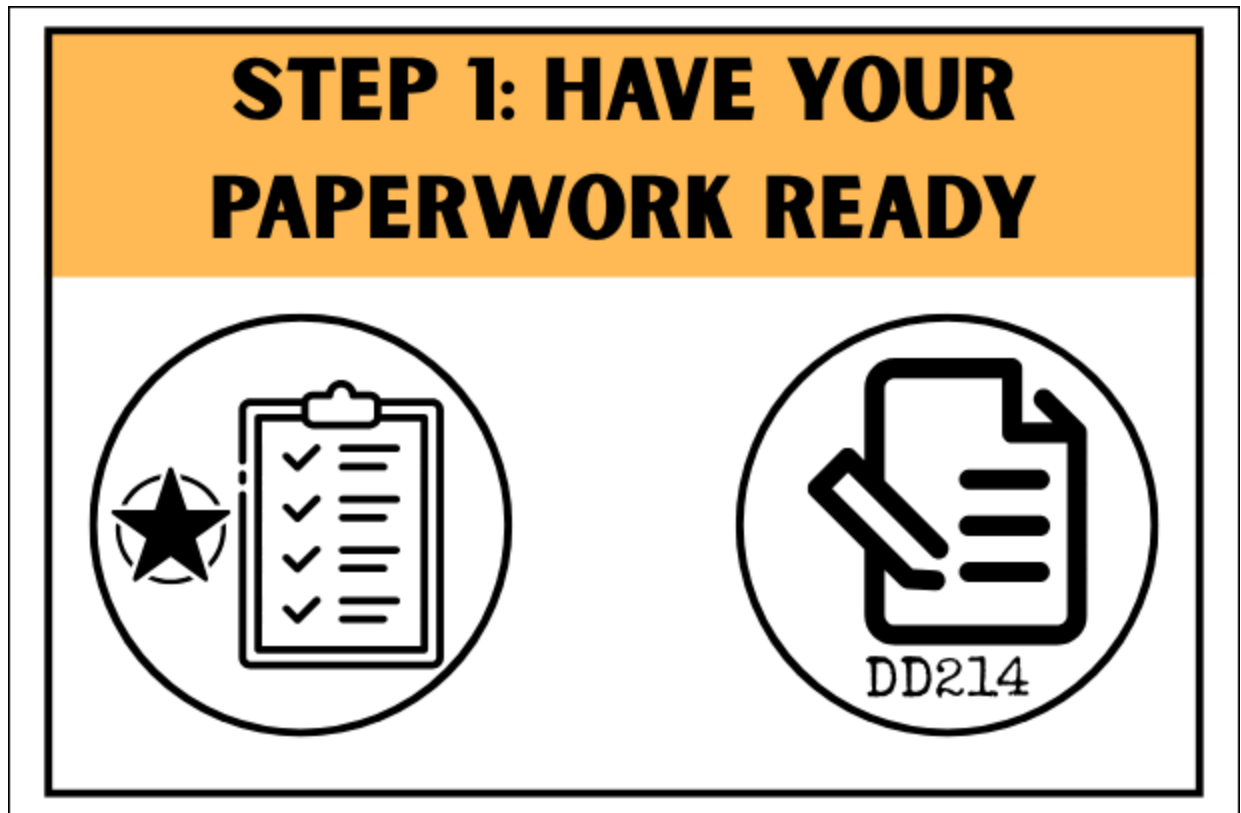
Here are some questions to ask a realtor.

For example, “Have you worked with other military members or veterans before?” would be one question. As well, “Do you understand the VA loans process?”

While knowledge about the VA loan process is an important priority, a realtor also needs to listen to your goals. They should respect your time and budget.

Some online resources can help military members find realtors who can assist them.

- VAREP (Veterans Association of Real Estate Professionals)
- Homes for Heroes
- MilitaryByOwner.com



Step 1: Have your paperwork ready

If you are on active duty, the VA will fund a loan if it's your primary residence and meets the agency's minimum property standard. Some manufactured homes may qualify for a VA loan, but mobile homes generally do not.

Every veteran who has served for more than 90 days on active duty is eligible to obtain a VA home loan. In the next section, the required form provides more details on the requirements.

But what about those military professionals who have retired or departed from the military?

One of the key elements of the application? The veteran's DD Form 214.

When a military professional receives a discharge, they should visit their county courthouse and request that a digital record of this important document be provided. This provides a backup alternative to keeping a DD Form 214 at home in a lock box.

RELATED: Don't get fooled into paying for a copy of your DD Form 214.
Archives

This provides a backup to having this form stored in a veteran's home. If a house is damaged

due to a flood, a major hailstorm, or a fire, having this digital form stored at a county courthouse can serve as a backup.

When the VA needs this form for a home loan application, it will make it easier for veterans to provide their lender with this key document.

RELATED: How military professionals can help their personnel departments prepare their DD Form 214

STEP 2: OBTAIN A VA CERTIFICATE OF ELIGIBILITY



Step 2: Obtain a VA certificate of eligibility

Every veteran who wants to get a VA loan should request a VA home loan certificate of eligibility (COE). If a veteran's realtor has used the VA for a loan, they are familiar with accessing the government site to verify one's military service.

The VA today provides an online application process. Working with their relator, a veteran needs to create an online VA account

(<https://www.va.gov/housing-assistance/home-loans/how-to-request-coe/>), a process that takes five minutes. Shouldn't this have a hot link.

RELATED: Do military widows and widowers qualify for a VA loan?
Ready to look at your home purchase options? **Please click this link.**

CREDIT SCORE - HOW TO DEAL WITH OBNOXIOUS ROBO CALLS



Credit Score - How to deal with obnoxious robocalls

When a military veteran decides to purchase a home, it's essential for them to "opt out" of the credit bureau's campaign to resell their personal data.

As part of their qualifying application, their mortgage lender will request a credit report from the three major credit bureaus to assess their personal financial worthiness. The credit bureaus may sell your personal information, including your telephone number and email address, to other businesses.

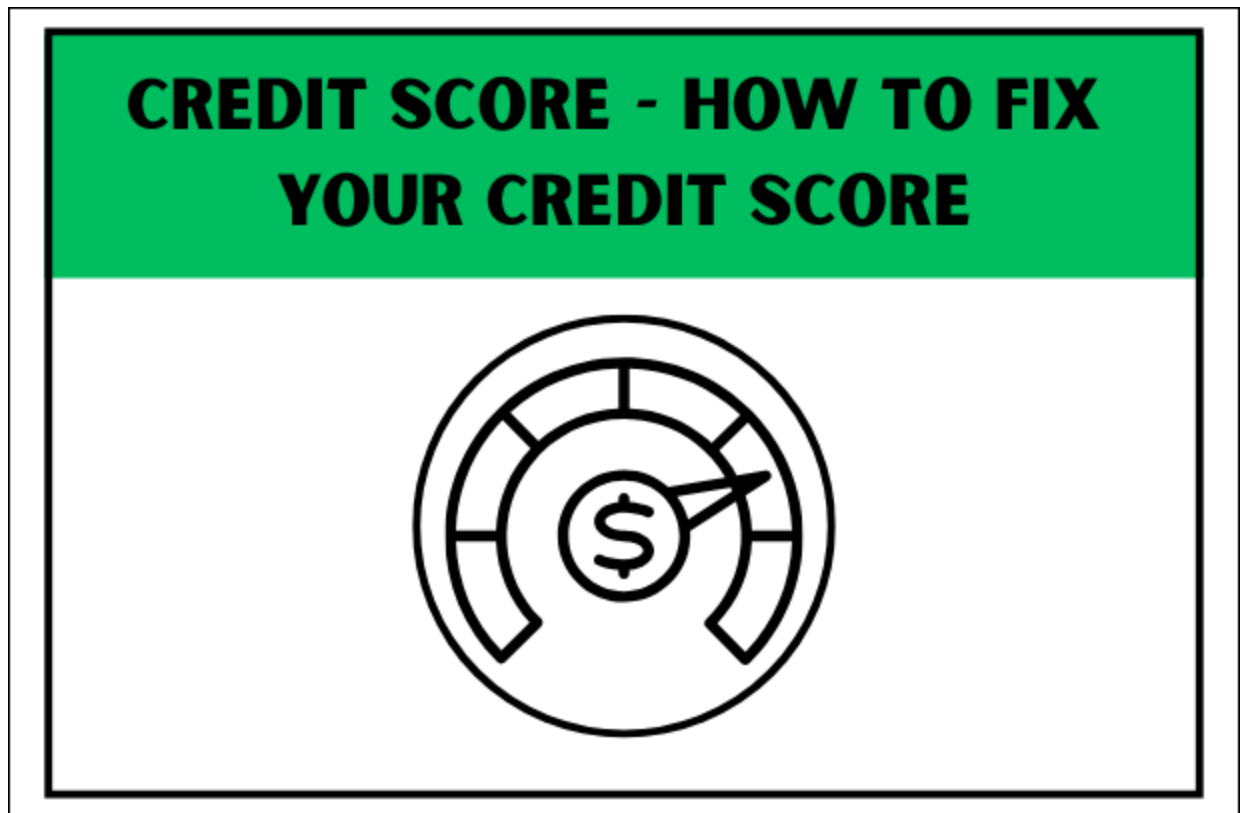
This will cause an increase in phone calls from online telephone marketing firms. For older veterans, this means they may receive numerous calls about Medicare Advantage plans, while younger veterans may receive solicitations for new credit cards or car repair insurance policies.

Note: Business texting is now the norm for a veteran's realtor and others who will underwrite their loan. After selecting a realtor and other individuals involved in your home purchase, it's a good idea to capture their phone numbers to add to your cell phone directory.

The Federal Communications Commission has until April 11, 2026, to change the policy allowing organizations, such as medical providers, to modify their policies concerning text notifications. Until then, home buyers can visit

<https://reporttelemarketer.com/how-to-file-a-tcpa-complaint/> to file a complaint through the Telephone Consumer Protection Act (TCPA).

Attorneys who specialize in Telephone Consumer Protection Act (TCPA) compliance can take information on robocalls and pursue payment of up to \$1500 per call.



Credit Score - How to Fix Your Credit Score

When a lending organization begins to review a veteran's financial background, the credit score plays a crucial role, especially in determining mortgage payment options.

Some veterans turn to unscrupulous firms that will raise their credit score for a significant fee. **The team at Texas Heartland** can advise military professionals on how to improve their credit score options and the necessary steps to take.

Veterans and their families should understand the credit score requirements as they begin to work with us to review their loan options.

This VAloans.com graphic can help a veteran understand the funding requirements needed to work with conventional, FHA, USDA, and VA loans.

HOW DOES MY DTI AFFECT LOANS?



How does my DTI Affect Loans?

For most first-time homebuyers, one of the most misunderstood acronyms is the debt-to-income ratio, or “DTI.” A realtor, working with someone purchasing a home, is focused on two proportional aspects.

A veteran’s front-end ratio is based on a future mortgage payment, property taxes, homeowners’ insurance, and mortgage insurance.

The back-end ratio takes into account a loan applicant’s credit card payments, student loan payments, child support or alimony, and personal loan payments.

Do you have questions about your DTI score and how it may impact your mortgage? **Please fill out this form.**

HOW DOES APR AFFECT LOANS?



How does APR Affect Loans?

When determining the loan terms and APR for a home loan, a buyer's credit score can impact their monthly mortgage payment.

For demonstration purposes, let's imagine two buyers who want to purchase a home valued at \$300,000.

Let's take Bill and his wife, Susan. They have a credit score of 550, which is considered low. One mortgage lender will assume the loan with a 9% APR. His monthly mortgage payment would be \$ 2,411 with a total interest of \$567,960 over 30 years.

Meanwhile, Fred and Jennifer have a credit score of 650. That puts them into a more moderate tier. Based on these mortgage underwriting factors, his lender estimates an APR of 7.7 percent. For the same valued home, his monthly mortgage payment would be \$2147. Their total interest would be \$473,000.

This hypothetical funding case can demonstrate the importance of enhancing a buyer's credit rating. Mortgage rates change every quarter.

Quarter	Average Rate (Approx.)
Q4 2023	6.89% – 7.22%
Q1 2024	6.69% – 6.94%
Q2 2024	6.86% – 7.03%
Q3 2024	6.08% – 6.78%
Q4 2024	6.60% – 6.85%
Q1 2025	6.65% – 6.95%
Q2 2025	6.77% – 6.89%

Source: Longforecast

HOW DOES RESIDUAL INCOME IMPACT A MORTGAGE LENDER'S UNDERWRITING?



How does residual income impact a mortgage lender's underwriting?

Residual income is the amount of money left over each month **after all major expenses are paid**, including:

- Housing costs (mortgage, taxes, insurance)
- Utilities
- Debt payments (car loans, credit cards, etc.)
- Child care, education, divorce alimony payments and other recurring obligations

It's essentially your **net disposable income**—what's left to cover food, clothing, transportation, and other living expenses.

Why Lenders Use It

Lenders use residual income to assess whether you can **comfortably afford** a mortgage without being financially strained. It's especially important in VA loans because:

- The VA doesn't set a strict debt-to-income (DTI) ratio limit.

- Instead, it uses **residual income guidelines** to ensure borrowers have sufficient funds remaining to live on.

How It's Calculated

1. **Start with your gross monthly income.**
2. **Subtract all monthly obligations** (mortgage payment, taxes, insurance, debts, etc.).
3. The result is your **residual income**.

The VA has **minimum residual income requirements** based on:

- **Region** (Northeast, Midwest, South, West)
- **Family size**
- **Loan amount**

When working with your realtor and mortgage officer, it's essential for the military member and their spouse to provide them with copies of their W-2, along with their auto payment, childcare payment, education loan data, and child support payments. For veterans with other forms of income, such as a 401K or a monthly veteran disability payment, it's essential to give your home-buying team this data as well.

WHY DO I WANT TO SHOP AROUND FOR MORTGAGE LENDERS?



Why do I want to shop around for mortgage lenders?

Yes, even if the realtor suggests a lender with a reasonable rate, it's a good idea to shop around with two to three other lenders.

Here's why it matters.

1. Interest Rates Vary by Lender: The government backs VA loans, but they're issued by private lenders — banks, credit unions, and mortgage companies. Each lender sets its own interest rates, so shopping around can help you find a significantly lower rate, which could save you thousands over the life of the loan.

2. Closing Costs and Fees Differ: Lenders may charge different origination fees, appraisal costs, and other closing costs. Some may offer discounts or waive specific fees for veterans, while others may not.

3. Customer Service and Experience: Not all lenders are equally experienced with VA loans. Choosing a lender that specializes in VA lending can make the process smoother and ensure you get the most out of your benefits.

4. Loan Terms and Flexibility: Some lenders offer more flexible terms — like lower credit score requirements or faster closing times. Others may be more strict. Comparing options helps you find the best fit for your financial situation.

5. Preapproval and Negotiation Power: Getting preapproved by multiple lenders can give you leverage when negotiating with sellers or even with lenders themselves. You might be able to use one offer to get a better deal from another.

HOW DOES A CREDIT RATING IMPACT YOUR LOAN?



How Does a Credit Rating Impact Your Loan?

When determining the loan terms and APR for a home loan, a buyer's credit score can impact their monthly mortgage payment.

For demonstration purposes, let's imagine two buyers who want to purchase a home valued at \$300,000.

Let's take Bill and his wife, Susan. They have a credit score of 550, which is considered subprime. One mortgage lender will assume the loan with a 9% APR. His monthly mortgage payment would be \$ 2,411 with a total interest of \$567,960 over 30 years.

Meanwhile, Fred and Jennifer have a credit score of 650. That puts them into a more moderate tier. Based on these mortgage underwriting factors, his lender estimates an APR of 7.7 percent. For the same valued home, his monthly mortgage payment would be \$2147. Their total interest would be \$473,000. The better the credit, the better the rate (contact the lender)

This hypothetical funding case illustrates the importance of improving a buyer's credit rating. The better the score, the better the rate.

HOW DOES HOMEOWNER INSURANCE WORK?



How does homeowner insurance work?

As a homeowner reviews home locations, where can they find objective information about crime in their new location?

CrimeGrade.org: This website offers Interactive maps and downloadable data showing crime rates by ZIP code, with grades from A+ to F based on crime levels. It also allows a homeowner to compare how certain areas may appear more dangerous due to high foot traffic or retail density.

Spotcrime.com: This public-facing crime map shows recent incidents, including thefts, assaults, and burglaries. A user can search by an address or zip code.

NeighborhoodScout.com: This site provides crime reports for every address, including property crime rates, trends, and forecasts. It uses data from over 18,000 law enforcement agencies and provides GIS mapping for high-resolution accuracy.

HOW GOOD ARE THE SCHOOLS NEAR MY NEW HOME?



How good are the schools near my home?

For a military veteran in transition, selecting the right home for school-aged children takes significant consideration.

With 19 school districts in San Antonio, parents have options, not including private schools.

Online educational experts suggest the following considerations as their top priorities when selecting the right school district.

1. Are you looking for a top academic institution?
2. Do you value arts, sports, or special education programs?
3. Is diversity or community involvement important?
4. Do you want walkability or proximity to a school?

Greatschools.org and Niche.com provide data to help select a home within the right district.

Greatschools.org provides ratings, reviews, and test scores. Niche.com provides parents with detailed rankings and parent/student reviews. With extensive student

reviews, Niche.com also gives your high school students insight into the opportunities for athletics and the arts.



How can I check out my commuting routes?

For military members who want to understand the typical commute time from their home to their workplace, here are some simple ways to check the drive.

First, choose a weekday that reflects your typical departure time from home. Next, leave at the time that would allow you to depart for work, simulating real traffic conditions.

While driving to the workplace, a driver should be aware of traffic congestion, especially in school zones or areas with construction.

Internet-based driving sites, such as Google Maps, Waze, or Apple Maps, can help drivers check their new commuting options.

HOW THE VA CAN PROVIDE ADAPTIVE HOUSING GRANTS FOR VETERANS



How the VA can provide adaptive housing grants for veterans

For qualifying veterans with service-connected disabilities, one of the most overlooked benefits is qualifying for adaptive housing.

Adaptive housing provides veterans with items such as a walk-in shower, a wider door, and other services to help them adapt in a new or existing home.

First, it's essential to understand what the VA considers disabilities.

The next step? A veteran should review the VA's policy page on adaptive housing.

After reading this info, a veteran should download VA Form 26-4555 and complete the form.

Once a veteran has completed this form, the VA will assign someone from their housing team to review the blueprints for a new home. For an existing home, a VA rep will review the home to determine what funding can be provided for modifications. This reviewing process can take from 30 to 90 days.

If an elderly disabled veteran moves into a home with their family, the VA **MAY** provide the needed remodeling updates.

SHOULD I GET TWO OR THREE QUOTES FOR MY HOME?



Should I get two or three quotes for my home?

When a first-time homeowner purchases a home, one of the primary financial considerations is purchasing property insurance.

Property insurance varies by insurance company and location. However, most insurance products are either an HO-3 (Special Form) or an HO-5 (Comprehensive Form). The deductible for a loss can vary.

Most standard policies for both these policies include:

- **Dwelling:** Damage to your home structure
- **Other Structures:** Garages, fences, sheds
- **Personal Property:** Belongings like furniture, electronics
- **Loss of Use:** Temporary housing if your home is uninhabitable
- **Liability:** Legal costs if someone is injured on your property
- **Medical Payments:** Minor injuries to guests

Like their mortgage options, a military professional should ask for at least three quotes, with some companies offering a discount if auto insurance is bundled with this insurance.

When reviewing these quotes, it's essential to ask about insurance exclusions, such as flooding or earthquakes. Insurance companies will have a deductible factored into any claim made on their policy.

When a home needs to replace an air conditioning unit or deal with pest infestation, a HO-3 policy will not cover these losses. Construction and foundation issues will not be considered for a claim.

Should a homeowner use part of their home for business purposes, it's important to include a rider for liability. This covers a person who has a guest or laborer visiting their home office and accidentally falls on the stairs or front door steps.

As the homeowner moves into their new home, it's a good idea to document high-value items such as a home entertainment system or furniture. This documentation will assist a homeowner in filing a claim for a qualified loss, should a property claim arise.

SHOULD I ADD A HOME WARRANTY POLICY?



Should I add a home warranty policy?

In many home purchases, the outgoing property owner may provide a home warranty policy for a limited time.

When the policy ends, many homeowners may become unsure whether they should continue paying a premium for this insurance.

Home warranty policies cover HVAC systems, plumbing, electrical systems, kitchen appliances, and water heaters.

While most policies provide a homeowner with peace of mind and budget protection, especially for older homes, we recommend creating a budget to offset the costs of this policy.

It's our experience that these policies provide limited coverage and service fees ranging from \$75 to \$125.

WHY WOULD MY HOME NEED A SPECIAL PAF?



Why would my home need a special PAF?

If a homeowner owns high-value personal items, they should ask their insurance company about purchasing a personal articles floater.

For example, your spouse's engagement ring is valued at \$3000. Most property insurance policies have a cap of \$1,000 to \$2,000 in claims repayment.

Here's another example. Your spouse has a violin valued at \$10,000. Like the engagement ring, your property insurance representative should provide a quote to protect this valuable instrument.

These special insurance policies protect against accidental loss, such as dropping an engagement ring down the drain or the theft of a violin from one's home.

Like a mortgage provider, it's a good idea to get quotes from two to three insurance professionals, especially ones who recognize the limitations of their basic homeowner policy.

ARE MY SHOTGUNS COVERED BY MY INSURANCE POLICY?



Are my shotguns covered by my insurance policy?

Most standard homeowners or renters insurance policies have relatively low sublimits for firearms - often only \$1,500-\$2,500 total for all guns. Given that one's Italian or German shotgun likely cost €10,000+ (roughly \$10,000-\$100,000+ USD depending on the model), a standard policy would leave you significantly underinsured.

Options for Proper Coverage:

1. **Scheduled Personal Property Endorsement** - You can add a "rider" or "floater" to your homeowners policy, specifically listing your high-value shotgun with its appraised value. This typically provides broader coverage, including accidental damage and sometimes even mysterious disappearance.
2. **Collectibles or Valuable Articles Policy** - Some insurers offer specialized coverage for firearms collections that provides higher limits and more comprehensive protection.
3. **Standalone Firearms Insurance** - Companies like Eastern Insurance Group or collectibles insurers specialize in firearms coverage.

What You'll Need:

- Documentation of purchase price and current value
- Photos of the firearm
- Serial numbers

- Appraisal for very high-value pieces
- Proof of proper storage (gun safe)

Texas-Specific Considerations:

Once you're settled in your new home,, shop around for homeowners' insurance and specifically ask about firearms coverage options. Texas has a robust firearms culture, so many insurers there are familiar with insuring valuable guns.

I'd recommend contacting insurance agents before your move to ensure continuous coverage during the transition. Would you like guidance on the import process for bringing the shotgun into the US?

IS THERE SPECIAL INSURANCE COVERING MY NEXT MOVE?



Is there special insurance covering my next move?

Excellent question - military household goods shipments have specific coverage considerations, especially for high-value items like your premium shotgun.

Military Moving Coverage (Full Replacement Value vs. Released Value):

When you arrange your military move (whether through the Defense Personal Property System or with a Transportation Service Provider), you'll typically be offered:

1. **Full Replacement Value (FRV)** - This is usually offered at no extra cost and provides better protection, but it has maximum liability limits per pound and per shipment.
2. **Released Value** - Minimal coverage (usually \$0.60 per pound per article) - don't choose this for valuable items.

The Problem with Standard Military Coverage:

Even with FRV, military moving coverage may have limitations for high-value items. Your shotgun worth potentially \$10,000-\$100,000+ will likely exceed the coverage limits, which are often capped at a few thousand dollars per item or based on weight.

What You Should Do:

1. **Purchase Separate High-Value Item Insurance** - Contact a specialty insurer or your current insurance provider to get a short-term "transit" or "all-risk" policy specifically

covering your shotgun during the move. This is sometimes called "inland marine" coverage.

2. **Declare High-Value Items** - Make sure your shotgun is properly listed on your military move inventory with its accurate value. Take detailed photos and document the serial number.
3. **Consider Hand-Carrying** - For an item this valuable, you might want to transport it yourself rather than putting it in household goods. Check regulations about traveling internationally with firearms.
4. **Get an Appraisal** - Have the shotgun professionally appraised before shipping to establish its value for insurance purposes.

Import Considerations for Your Shotgun:

Since you're bringing a firearm from overseas:

- **ATF Form 6** - You'll need to file ATF Form 6 (Application and Permit for Importation of Firearms, Ammunition and Defense Articles) for permanent importation of your shotgun into the US
- Allow several weeks/months for approval before your move
- The shotgun must comply with US import regulations (most sporting shotguns are fine)
- Consider working with a customs broker or firearms importer if you're unfamiliar with the process

Recommendation:

Contact your moving company's claims office AND a specialized insurance broker NOW - before your pack-out date. Ask specifically about coverage for firearms during international military moves. The small premium for separate coverage is worth it for a shotgun of this caliber.

When you arrange your military move (whether through the Defense Personal Property System or with a Transportation Service Provider), you'll typically be offered:

1. **Full Replacement Value (FRV)** - This is usually offered at no extra cost and provides better protection, but it has maximum liability limits per pound and per shipment.
2. **Released Value** - Minimal coverage (usually \$0.60 per pound per article) - don't choose this for valuable items.

The Problem with Standard Military Coverage:

Even with FRV, military moving coverage may have limitations for high-value items. Your shotgun worth potentially \$10,000-\$100,000+ will likely exceed the coverage limits, which are often capped at a few thousand dollars per item or based on weight.

What You Should Do:

1. **Purchase Separate High-Value Item Insurance** - Contact a specialty insurer or your current insurance provider to get a short-term "transit" or "all-risk" policy specifically covering your shotgun during the move. This is sometimes called "inland marine" coverage.

2. **Declare High-Value Items** - Make sure your shotgun is properly listed on your military move inventory with its accurate value. Take detailed photos and document the serial number.
3. **Consider Hand-Carrying** - For an item this valuable, you might want to transport it yourself rather than putting it in household goods. Check regulations about traveling internationally with firearms.
4. **Get an Appraisal** - Have the shotgun professionally appraised before shipping to establish its value for insurance purposes.

Import Considerations for Your Shotgun:

Since you're bringing a firearm from overseas:

- **ATF Form 6** - You'll need to file ATF Form 6 (Application and Permit for Importation of Firearms, Ammunition and Defense Articles) for permanent importation of your shotgun into the US. Here is the online link:
<https://www.atf.gov/firearms/docs/form/form-6-part-1-application-and-permit-importation-firearms-ammunition-and> Military professionals should use ATF Form 6 (**Part II 30.3B**)
- Allow several weeks/months for approval before your move
- The shotgun must comply with US import regulations (most sporting shotguns are fine)
- Consider working with a customs broker or firearms importer if you're unfamiliar with the process

Recommendation:

Contact your moving company's claims office AND a specialized insurance broker NOW - before your pack-out date. Ask specifically about coverage for firearms during international military moves. The small premium for separate coverage is worth it for a shotgun of this caliber.

HOW MUCH SHOULD I BUDGET FOR FUTURE HOME REPAIRS?



How much should I budget for future home repairs?

A good rule of thumb for budgeting home repairs and maintenance is to set aside **1% to 4% of your home's value annually**, depending on the age and condition of the home. For a home valued at **\$300,000**, here's how that breaks down:

Annual Home Repair Budget Estimates:

1% (newer homes, minimal issues): \$3,000/year
2% (average wear and tear): \$6,000/year
3% (older homes or moderate issues): \$9,000/year
4% (older homes or known major repairs): \$12,000/year

Factors to Consider:

- Age of the home: Older homes typically need more repairs.
- Climate: Harsh weather can accelerate wear (e.g., roofing, HVAC).
- Size and complexity: Larger homes or those with pools, basements, or complex systems may cost more.
- DIY vs. Professional: Doing some repairs yourself can help reduce costs.

HOME EQUITY LINE OF CREDIT



Home Equity Line of Credit

Imagine this scenario.

A veteran homeowner discovers that his home requires significant repairs to its heating and air conditioning system. Alternatively, they may find that their home has significant foundation issues.

One way to make these home improvements is a **HELOC loan**, or **Home Equity Line of Credit**. This type of loan allows homeowners to borrow money using the equity in their home as collateral. Here's a breakdown of how it works:

- **Revolving Credit Line:** Similar to a credit card, you can borrow up to a specific limit, repay it, and borrow again during the "draw period" (usually 5–10 years).
- **Secured by Home Equity:** The amount you can borrow is based on the equity you have in your home—typically up to 85% of your home's value minus what you owe on your mortgage.
- **Variable Interest Rates:** Most HELOCs feature adjustable interest rates, meaning your payments can fluctuate over time.
- **Draw and Repayment Periods:**
 - **Draw Period:** You can borrow money as needed.

- **Repayment Period:** After the draw period ends, you can no longer borrow and must start repaying the principal and interest.

.Like your home loan, it's a good idea to get two or three quotes for these loans from your credit union or bank.