



**Department of
Veterans Affairs**

Office of Public Affairs
Media Relations

Washington, DC 20420
(202) 461-7600
www.va.gov

News Release

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VA Loans Remain a Strong Option for Veterans *Agency Sees Significant Increase in Loan Volume over Past Year*

WASHINGTON – More servicemembers and veterans are using their Department of Veterans Affairs (VA) home loan guaranty benefit, as VA’s loan program remains a strong option in today’s housing market.

VA is experiencing a significant increase in home loan volume, with more than 162,000 home loan guaranties provided this year, an increase of more than 31 percent over the same period last year.

“VA attributes this increase to the favorable terms traditionally offered with VA loans and the elimination of many no-downpayment products in the conventional mortgage market,” said Secretary of Veterans Affairs Dr. James B. Peake.

No-downpayment loans are increasingly difficult to obtain with conventional financing. Under recently enacted legislation, VA now uses a locality-based approach in determining ceilings on its no-downpayment home loans. VA no-downpayment loans are available for as much as \$729,000. Larger VA loans may be obtained with relatively small down payments.

Not only is the VA program one of the few remaining no-downpayment programs in the market today, but lenders and veterans using the program are finding that it provides a timely and user-friendly product.

Focus in recent years on improvements in information technology has helped streamline the loan process and has made the program more accessible. Veterans no longer need to obtain a VA Certificate of Eligibility prior to contacting a lender.

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Lenders can access the program's web portal to use VA's online Automated Certificate of Eligibility (ACE) system and obtain the certificate for the veteran. Many times, lenders can receive the certificate within seconds.

VA lenders have the authority to process and approve veterans' loan applications. Lenders can order appraisals online, review and determine the appraised value of the property themselves, electronically submit the information VA needs to process a loan guaranty, and then receive the guaranty electronically within 24 hours.

VA's is also revolutionizing its loan servicing activity through implementation of a new web-enabled and rules-based 'smart' system called VALERI (VA Loan Electronic Reporting Interface). Standardized servicing criteria on par or ahead of industry norms and instant access to acquisition and claim payment status make it easier for servicers to work and communicate with VA. It also allows servicers to help veterans who are experiencing financial difficulty avoid foreclosure.

VA-guaranteed home loans are made to eligible veterans, servicemembers, and surviving spouses through private mortgage lenders throughout the United States. Since 1944, when home loan guaranties were first offered with the original GI Bill, VA has guaranteed more than 18 million home loans worth over \$965 billion.

Last year, about 135,000 veterans, servicemembers and surviving spouses received loans valued at nearly \$24 billion. More than 90 percent of VA loans were made without any down payment.

To obtain more information about the VA Loan Guaranty Program, veterans can call VA at 1-877-827-3702. Information can also be obtained at www.homeloans.va.gov.

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