



Mortgages for Veterans

In the armed forces, rank has its benefits. And so does a soldier's status when applying for a Department of Veteran's Affairs housing loan. Ever since 1940, men and women returning from active duty, and those who have been in the reserves, could take advantage of VA loans. Set up to secure housing for veterans, the VA program is also seen as a benefit or perk that comes with military service. The VA revised its eligibility requirements in 1980.

"A VA loan is still highly desirable because the terms are so favorable," says Jerry Frate, president of Rochester Area Mortgage Services. "Whatever their age, enlisted men and women, officers, and reservists should try to take advantage of this, even if they already own a home under a conventional mortgage."

Because the loan is guaranteed by the VA, no down payment is required, no private mortgage insurance is needed, prepayment with no penalty is allowed, and the mortgage can be assumed by a future buyer. "That can translate into a lot of house," adds Frate. So what's this about rank?

Those currently on active duty, and those discharged with two years of active duty, are immediately eligible. All they'll face is a 2.15% funding fee (and that, too, can be financed).

The reservist who is never called up will take longer to qualify, perhaps after six years of reserve duty. Combinations of reserve and active duty can shorten the time period before qualification.

"A specialist in VA loans can easily work through the details," says Frate. "It really is worth pursuing, regardless of one's rank and type of service."

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