

A Complete Guide to Home Ownership for Veterans

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For many veterans, owning a home is the definition of security and stability. Possessing the deeds to your property gives you financial equity and a sense of comfort and belonging. Buying a home is one of the biggest financial and emotional decisions you will make, and here's how to make that decision carefully.

Get a credit report

Start by checking your financial situation. [Order a credit report](#) — U.S. citizens are entitled to a free credit report each year. The report looks at outstanding debts from credit cards and loans and your bill payment history. From this, they assess risk and assign you a score. It is this score that mortgage companies will consider when you apply for a loan.

Get your finances in order

If your report highlighted some outstanding issues, resolve these as soon as you are able. A report by [Forbes states](#) that the best way to clear a negative credit rating is to:

- Dispute any errors
- Pay your bills on time.
- Pay off outstanding debt — paying off debt can help improve your payment history.
- Keep old credit cards open — credit cards that are well maintained establish a line of good credit history and will boost your score.
- Limit the number of times your credit report is run — every time you run a report, it can drop your credit score [by 5 points](#). Avoid going to a lot of different companies attempting to obtain a line of credit.

Find the right home loan

Once any debt is repaired, the next step is to obtain a line of credit. Getting pre-approved for a loan before purchasing a home provides you with a fixed budget to work with and help direct your search.

Veterans have access to [special home buying loans](#). A VA loan requires [no down payment](#), offers competitively low interest rates, and limited closing costs and may even eliminate the need for Private Mortgage Insurance (PMI). The VA home loan is a lifetime benefit that you can use multiple times.

Ensure that your loan is affordable — owning a house comes with many additional expenses so make sure that you have factored these in your budget before applying for a loan. The ideal percentage of your gross monthly income that should go toward your mortgage is 28 percent. Keep in mind that taxes and homeowners insurance are usually rolled into your mortgage.

Search for your dream home

Finding your dream home should be a strategic undertaking, before you begin your hunt make sure you have a list of must-haves. Start by compiling a list of desirables: What type of neighborhood are you looking for? How important is proximity to schools, work, parks, and nature to you? Should it be a single-story home or does it need to be accessible? Should it

have a garden? How many bedrooms do you need? Do you require a granny flat for your mother, space for animals, or perhaps a pool?

Real estate agents' advice is to start with your [dream home](#) — and work backward. Make a list of wants then shortlist them to must-haves. If you need to be close to work in the city, then your dream house with a large garden may have to be an apartment. If you have children, then you may need to sacrifice location for an additional bedroom. Your list of must-haves is different from your list of desirables — it is where you fine-tune your needs and the things on which you cannot compromise.

Close on the home

The sale price of homes in the U.S. isn't fixed and you can make an offer. Depending on how long the house has been on the market and how desperate the owners are to sell, you could lowball and walk away with a steal. You can also negotiate closing costs. [Business Insider](#) has several suggestions on how to save on closing costs including switching to third-party vendors. Your lender has to pay a third party for home appraisal, title search, and home insurance, but you can shop around to find a cheaper vendor and save money.

Look at buying your home as a business decision. Scope out your budget and requirements. Search for the right loan and seek out deals. Keep emotion out of the picture and ensure you consider your house purchase as an investment. Money cannot buy peace of mind — only careful planning.

<https://unsplash.com/photos/rgJ1J8SDEAY>

