

EQUITY

RESOURCES, INC.
mortgages

VA Entitlement Examples

Example 1

Veteran is purchasing a new home using their VA home loan benefit and used \$60,000.00 of entitlement on a current VA loan. The home that has the current VA loan on it will be retained and not sold prior to the closing of the new VA loan/purchase.

Purchase Price: \$400,000.00

Entitlement Used/Not Restored: \$60,000.00

Conforming Loan Limit for County: \$548,250.00

Maximum Loan Amount

Maximum Guaranty: $\$548,250.00 \times .25 = \$137,062.50$

Entitlement Available: $\$137,062.50 - \$60,000.00 = \$77,062.50$

Maximum Loan Amount w/ No Down Payment: $\$77,062.50 \times 4 = \mathbf{\$308,250.00}$

Down Payment Calculation

$\$400,000.00 \times .25 = \$100,000.00$

$\$100,000.00 - \$77,062.50 = \mathbf{\$22,937.50}$ is Required Down Payment

Example 2

Veteran is purchasing a new home using their VA home loan benefit and used \$75,000.00 of entitlement of a previous VA loan that ended up being foreclosed on and VA suffered a loss. The VA will not restore that entitlement.

Purchase Price: \$250,000.00

Entitlement Used/Not Restored: \$75,000.00

Conforming Loan Limit for County: \$625,000.00

Maximum Loan Amount

Maximum Guaranty: $\$625,000.00 \times .25 = \$156,250.00$

Entitlement Available: $\$156,250.00 - \$75,000.00 = \$81,250.00$

Maximum Loan Amount w/ No Down Payment: $\$81,250.00 \times 4 = \mathbf{\$325,000.00}$

Down Payment Calculation

No Down Payment Required

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[Example 3](#)

Veteran is purchasing a new home using their VA home loan benefit and used \$40,000.00 of entitlement on a current VA loan. The home that has the current VA loan on it will be sold the same day the veteran is closing on their purchase using a new VA loan.

Purchase Price: \$750,000.00

Entitlement Used/Not Restored: N/A

Conforming Loan Limit for County: \$548,250.00

Maximum Loan Amount

No maximum loan amount – the veteran’s entitlement will be restored with the sale of the current home and full entitlement will be available.

Down Payment Calculation

No Down Payment Required

[Example 4](#)

Veteran is purchasing a new home using their VA home loan benefit and used \$50,000.00 of entitlement on a current VA loan. The veteran would like to retain the home with the current VA loan on it and use it as an investment property.

Purchase Price: \$125,000

Entitlement Used/Not Restored: \$50,000

Conforming Loan Limit for County: \$548,250.00

Maximum Loan Amount

A loan amount of less than \$144,000.00 is NOT eligible as the veteran used their basic entitlement in full and it will not be restored. In order to make the loan eligible, the purchase price would need to be \$144,001 or higher.

Down Payment Calculation

N/A