Veteran Home Buyer Rate-Shopping Guide

VA loan strategy, lender comparison, funding fee checks, refinance planning, appraisal standards, and offer planning.

Prepared for MoJo Real Estate Team with lender guidance from Ashley Jones, Senior Loan Officer, First State Bank Mortgage.

Important: MoJo Real Estate Team is not a lender. Ashley Jones and First State Bank Mortgage provide mortgage guidance and lending services. First State Bank Mortgage is a division of First State Bank of St. Charles, MO, NMLS ID 416668. First State Bank Mortgage is an Equal Housing Lender. Ashley Jones NMLS ID 1739681. All loans are subject to approval, creditworthiness, income verification, program availability, and current terms. MoJo real estate representation is focused on Kansas and Missouri.

The Expensive Mistake

Your VA benefit is powerful. Brand recognition is not a rate quote.

Many veteran buyers start with a lender they have heard of because that lender advertises heavily to military and veteran audiences. That may be convenient, but it does not prove the lender is the lowest-cost option. The practical issue is lender price dispersion: different lenders can quote different rates, APRs, points, origination fees, lender credits, and closing-cost structures for the same borrower on the same day.

The right conclusion is not "one national veteran lender is always expensive." The right conclusion is this:

- A familiar veteran-branded lender is not automatically the best-priced lender.
- A small bank, local bank, credit union, or lower-overhead lender may be more competitive in some scenarios.
- You should compare same-day Loan Estimates before choosing a VA lender.
- The APR, points, origination charge, lender credits, and funding fee treatment matter as much as the headline interest rate.
- Refinance mailers and future rate drops should be evaluated the same way: compare the full Loan Estimate, costs, credits, new loan balance, and break-even timing before acting.

The Consumer Financial Protection Bureau tells buyers to request and review multiple Loan Estimates. VA also tells buyers that lenders offer different rates and fees and that buyers should shop around for the loan that best meets their needs.

How To Compare VA Loan Estimates

Do not compare a texted interest rate from one lender against a formal Loan Estimate from another lender. Ask each lender for the same scenario on the same day.

Use this comparison structure:

- Same purchase price.
- Same down payment.
- Same credit profile and occupancy.
- Same loan type: VA purchase loan.
- Same rate-lock assumption.
- Same closing date assumption.
- Same property tax and insurance assumptions.
- Same question: "What is my total cash to close and monthly payment?"

Then compare these fields:

- Interest rate.
- APR.
- Discount points.
- Origination charges.
- Lender credits.
- Section A loan costs on the Loan Estimate.
- Funding fee amount and whether it is financed.
- Estimated cash to close.
- Monthly principal and interest.
- Taxes, insurance, HOA, and escrow assumptions.

If one lender quotes a lower rate but charges more points, it may or may not be the better deal. If one lender quotes a higher rate but gives a lender credit, it may be better for a buyer with limited cash. The right answer depends on how long you expect to own the home, how much cash you want to preserve, and how the full Loan Estimate compares.

VA Refinance Planning: IRRRL, Streamline, And Cash-Out

This guide is buyer-first, but refinance planning belongs in the same conversation because many veterans will search for VA refinance help when rates eventually move lower.

VA's Interest Rate Reduction Refinance Loan is commonly called an IRRRL or VA streamline refinance. It is generally for borrowers who already have a VA-backed home loan and want to refinance that VA loan. VA also has a cash-out refinance option that may allow an eligible borrower to refinance a VA or non-VA loan into a VA-backed loan, subject to lender approval, occupancy, creditworthiness, equity, underwriting, and current program requirements.

Do not treat a refinance mailer, online ad, or headline rate as proof that refinancing is a good move. Ask for a full Loan Estimate and compare:

- New interest rate and APR.
- Discount points.
- Origination charges.
- Lender credits.
- VA funding fee treatment, if applicable.
- New loan balance.
- Cash to close or cash received.
- Whether the payment change justifies the closing costs.
- Break-even timing based on how long you expect to keep the loan.

The best organic search foundation is honest: "VA refinance," "VA streamline refinance," "VA IRRRL," and "VA cash-out refinance" should lead to a lender review, not a promise that refinancing is automatically available, beneficial, or lower cost.

Why Advertising-Heavy Lenders May Not Be The Cheapest

Mortgage lenders do not all price loans the same way. Their business model can affect pricing. A lender with expensive national advertising, heavy call-center overhead, high lead acquisition costs, or higher loan-officer compensation has to cover those costs somewhere. That does not automatically make them uncompetitive, but it is a reason not to assume the biggest advertiser is the best quote.

The compliant way to market this point is:

- "Veteran-focused marketing does not guarantee the best VA rate."
- "Compare Loan Estimates before you choose a lender."
- "Ask a lower-overhead bank or credit union for a same-day quote."
- "A half-point rate difference can materially change your payment over time, but actual quotes vary by borrower, date, property, and market."

Avoid unsupported claims such as:

- "Veterans United always has higher rates."
- "USAA always costs more."
- "Any veteran lender that advertises is overcharging."

Use facts and comparisons. Do not use attack copy.

Eligibility And Certificate Of Eligibility

Your Certificate of Eligibility, or COE, tells the lender that you meet the service-history or status requirement for the VA home loan benefit. It also shows entitlement information the lender uses to analyze the guaranty.

You still need lender approval. VA does not replace underwriting. Your lender will evaluate income, assets, debts, credit history, employment, occupancy, property value, and loan guidelines.

VA Funding Fee

The VA funding fee is a one-time program fee. It can usually be paid at closing or financed into the loan and paid over time. It is not monthly private mortgage insurance, but it can feel similar because it is a cost tied to using the loan program.

Current VA purchase and construction funding fee chart, effective April 7, 2023:

- First use, less than 5 percent down: 2.15 percent.
- First use, 5 percent or more down: 1.5 percent.
- First use, 10 percent or more down: 1.25 percent.
- After first use, less than 5 percent down: 3.3 percent.
- After first use, 5 percent or more down: 1.5 percent.
- After first use, 10 percent or more down: 1.25 percent.

The funding fee applies to the loan amount, not the purchase price.

Funding Fee Exemptions And Refunds

This is one of the most important checks for veteran buyers.

Do not assume every veteran pays the funding fee. Do not assume every disability percentage automatically makes the fee disappear either. Use the official VA exemption categories and verify with the lender before closing.

VA says you may not have to pay the funding fee if one of these applies:

- You are receiving VA compensation for a service-connected disability.
- You are eligible to receive VA compensation for a service-connected disability, but you are receiving retirement or active-duty pay instead.
- You are the surviving spouse of a Veteran who died in service or from a service-connected disability, or who was totally disabled, and you are receiving Dependency and Indemnity Compensation.

- You are a service member with a proposed or memorandum rating before closing that says you are eligible for compensation because of a pre-discharge claim.
- You are a service member on active duty who, before or on the loan closing date, provides evidence of having received the Purple Heart.

If you later receive a VA disability compensation award with an effective date before the loan closing date, VA says you may be eligible for a funding-fee refund. This is why timing and documentation matter.

Loan Limits, Full Entitlement, And More Than One VA Loan

The common "VA loan limit" explanation is often wrong.

If you have full entitlement, VA says you do not have a VA loan limit, as long as you can afford the loan amount and the property appraisal supports the purchase price. Your lender still must approve the loan.

If you do not have full entitlement because you have an active VA loan or entitlement charged to a prior VA loan, your remaining entitlement is tied to the county loan limit. VA says those limits match FHFA conforming loan limits. For 2026, FHFA set the baseline one-unit conforming loan limit at $832,750, with higher limits in high-cost counties and special statutory areas.

You can sometimes have more than one VA loan at the same time. The key questions are:

- Do you have remaining entitlement?
- Will the new home meet VA occupancy requirements?
- Does the county loan limit and remaining guaranty support the new loan without a down payment?
- Does the lender approve both the debt and the VA entitlement structure?

This is not a guesswork item. Have the lender calculate remaining entitlement before you shop.

VA Appraisal And Property Condition

VA appraisals are not home inspections. VA strongly recommends buyers still get an inspection. The VA appraiser gives an opinion of value and checks whether the property meets basic Minimum Property Requirements, often called MPRs.

Think of MPRs as a safety, soundness, and habitability screen.

Common issues that can create VA repair requirements include:

- Defective or peeling paint, especially on older homes where lead-based paint rules may matter.
- Broken windows or broken glass.
- Missing, unsafe, or exposed flooring conditions that create a safety concern.
- Missing or unsafe handrails where a fall hazard exists.
- Unsafe electrical, plumbing, heating, roof, or structural conditions.
- Water intrusion, active leaks, or major deferred maintenance.
- Utilities that cannot be verified.

This can be a benefit for the buyer. It helps prevent financing a home with obvious safety or habitability problems. But it can also make a seller worry that a VA offer will require repairs that a conventional offer might not require.

How To Make A VA Offer More Competitive

Do not apologize for using VA financing. Build a cleaner offer.

Useful strategies:

- Use a lender who communicates well and can explain VA timelines to the listing agent.
- Get the COE and underwriting documents handled early.
- Avoid writing on homes with obvious MPR repair issues unless the seller is willing to correct them.
- Include a clear preapproval letter.
- Have the buyer agent call the listing agent before writing.
- Give the seller confidence in inspection timing, appraisal timing, and repair expectations.
- Use strong earnest money and clean terms when appropriate.
- Consider a seller-paid repair strategy only when the issue is known and the contract can support it.

The goal is not to hide VA requirements. The goal is to remove uncertainty.

Kansas City Buyers Vs. National Lending Review

There are two lanes for this guide.

Kansas City metro buyers:

- MoJo Real Estate Team can help with the home search, offer strategy, negotiation, inspection, and local market guidance on the Kansas or Missouri side of the metro.
- Ashley Jones with First State Bank Mortgage can review VA loan options and lender comparison questions.

Buyers outside Kansas City:

- Ashley Jones and First State Bank Mortgage can review mortgage options in all 50 states, subject to licensing, program, underwriting, and property requirements.
- Ashley can also review VA refinance questions, including IRRRL / streamline refinance and cash-out refinance scenarios, when a homeowner wants to compare whether a future refinance may make sense.
- MoJo does not represent buyers as a real estate broker outside its service area unless separately agreed and properly licensed or referred.

Veteran-Informed Guidance From MoJo

MoJo has agents on the team who have served in the U.S. Marine Corps and U.S. Navy. That matters because VA buyers do not just need a property search; they need timing, financing, property condition, and offer strategy to line up clearly.

- Dave Campbell, U.S. Marine Corps Veteran: Dave served from 2000 to 2008 as an 0352 TOW Gunner and deployed to Iraq in 2005 during Operation Iraqi Freedom III. His mastery of VA guidelines, strong work ethic, and quick-timeline execution help VA buyers understand 100% financing, no monthly PMI, and whether they may qualify for no VA funding fee.
- Curt Roe, U.S. Navy Veteran: Curt served four years on active duty and reached Second Class Petty Officer, E-5. He brings an attention-to-detail mindset to helping VA buyers think through property condition, offer risk, and how zero-down VA financing may work for eligible buyers.
- Chris Harrison, U.S. Navy Veteran: Chris served eight years on active duty, reached Second Class Petty Officer, E-5, and served with VP-1 in Hawaii and the Navy Seabees in Coronado. His PCS experience helps him understand the urgency, adaptability, and financial readiness military buyers bring to real estate, and he emphasizes securing the Certificate of Eligibility before shopping.

These service details are used as trust context, not as an official endorsement by any military branch or government agency.

The Buyer Checklist

Before touring homes:

- Request your COE.
- Ask whether you may qualify for a funding fee exemption.
- Get a full preapproval, not just a quick quote.
- Ask for a same-day Loan Estimate from more than one lender.
- Compare APR, points, origination, lender credits, cash to close, and payment.
- Confirm whether the funding fee is financed.
- Ask the lender to calculate remaining entitlement if you already have a VA loan.
- If you already own a home, ask whether a future VA refinance review should focus on IRRRL / streamline refinance, cash-out refinance, or waiting until market terms improve.

Before writing an offer:

- Screen the property for likely MPR issues.
- Ask whether the seller is likely to accept VA-required repairs if needed.
- Understand the appraisal gap and VA escape clause.
- Decide which terms you can strengthen without taking on unreasonable risk.
- Make sure the lender and agent communicate before the offer is submitted.

Before closing:

- Review the Closing Disclosure.
- Re-check funding fee exemption status if disability compensation, Purple Heart status, or other eligibility documentation is pending.
- Confirm cash to close.
- Confirm repairs are completed and documented if required.
- Keep copies of the Loan Estimate, Closing Disclosure, and any funding-fee exemption or refund documentation.

Sources

- VA: Buying a home with a VA-backed loan, https://www.va.gov/housing-assistance/home-loans/home-buying-process/
- VA: Interest Rate Reduction Refinance Loan (IRRRL), https://www.va.gov/housing-assistance/home-loans/loan-types/interest-rate-reduction-loan
- VA: Cash-out refinance loan, https://www.va.gov/housing-assistance/home-loans/loan-types/cash-out-loan/

- VA: Home loan entitlement and loan limits, https://www.va.gov/housing-assistance/home-loans/loan-limits/
- VA: Funding fee and closing costs, https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/
- FHFA: 2026 conforming loan limit values, https://www.fhfa.gov/news/news-release/fhfa-announces-conforming-loan-limit-values-for-2026
- CFPB: Request and review multiple Loan Estimates, https://www.consumerfinance.gov/owning-a-home/compare/request-and-review-multiple-loan-estimates/
- CFPB Regulation Z advertising rule, 12 CFR 1026.24, https://www.consumerfinance.gov/rules-policy/regulations/1026/24/
- eCFR Regulation N mortgage advertising rule, 12 CFR Part 1014, https://www.ecfr.gov/current/title-12/part-1014
- First State Bank Mortgage, https://fsbfinancial.com/mortgage/
- Ashley Jones, First State Bank Mortgage, https://fsbfinancial.com/mortgage/mortgage-lenders/ashley-jones/