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**Mortgage Tidbits**

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**Keeping you informed and in the know….**

**VA Seller Concessions**

VA seller concessions work a bit differently than the other programs. It is very helpful to understand the details of what VA allows to negotiate the contract correctly. VA will allow up to 6% concessions, but they specifically break them up into categories. Of the 6%, 4% are allowed to be used toward closing costs. The other 2% is allowed for discount points.

The 4% can be used towards:

* Payment of the buyers Funding fee
* Prepaid taxes and insurance
* Title Fees
* Origination Fees/Lender Fees
* Closing costs that are normal for the area
* Recording Fees

When writing the contract, it is important to break the % up to match what VA will allow, or the concession may not be utilized correctly and to the max allowed for the benefit of the Veteran. In addition, a purchase contract that will be using VA financing MUST state specifically that VA is the loan type or underwriting will request a correction later in the process for the purchase contract.

Knowing the best way to structure a VA loan is an advantage that will be beneficial to the Veteran’s. Being knowledgeable about VA loans will help you win the client and the negotiation!

**Call us today for the best answers to the mortgage questions!**

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