



HOME LOAN GUARANTY

FARM LOANS: VA HOME LOANS FOR RURAL RESIDENTS

OVERVIEW

The Department of Veterans Affairs' (VA) Home Loan benefit may be used to purchase a farm on which there is a farm residence to be owned and occupied by a Veteran as his or her primary residence. Although the VA Home Loan benefit cannot be used for business loans, including for farming, Veterans can use the benefit to purchase a farm on which there is a residence.

GENERAL GUIDANCE

Loans for farm dwellings are appraised the same way as for homes in urban areas.

- VA does not set limits on the number of acres a VA-guaranteed property may have.
- The appraisal of properties with acreage should not present difficulties if a sufficient number of similar properties in the area were recently sold primarily for residential use, and may include improvements not typically considered residential (i.e. barns, sheds, corrals, stables, pastures).
- For VA purposes, the valuation must not include livestock, crops, or farm equipment and supplies. In any case, individual improvements not typically considered residential (i.e. barns, sheds, corrals, stables, pastures) will be valued at their fair market value.

Underwriting guidelines are generally the same as for non-farm type dwellings.

- For example, if some or all of the income necessary to support the loan payments comes from farming operations, a Veteran's ability and experience as a farm operator must be established.
- The procedures and analysis provided in Chapter 4 of VA Pamphlet 26-7, Lenders Handbook, under "Self-Employment Income" generally apply.

3 EASY STEPS TO A VA HOME LOAN

1. [Apply online](#) for a Certificate of Eligibility (COE) or by mail using [VA Form 26-1880](#), Request for Certificate of Eligibility. Lenders can also obtain COEs for Veterans online.

Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits.



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2. Find a realtor and lender to help navigate you through the process of buying a home. The lender will complete an application and work with you to determine the amount of loan for which you qualify. After you provide a pre-qualification or pre-approval to the realtor they will be able to show you homes within that price range. Select a home and sign a purchase agreement or a contract with a builder. It is important to note that your sales contract should include a provision making it void if you are unable to attain VA-guaranteed financing.
 3. The lender will then order an appraisal of the property, and help you clear the final conditions required to close on your new home.

For more information, contact a VA Regional Loan Center by calling toll-free (877) 827-3702 or visit our [Home Loan](#) website.

