

## Term

Cash Out Refinance	Allows the Veteran to take cash out of their home equity to pay debts such as funding school or home improvements.
Commercial Banks	Sometimes a buyer will go into bank or credit union and sit with a loan officer to get a loan. Those institutions potentially have a limited number of resources that they can reach out to in terms of lenders that they work with in order to provide funds.
Direct Lenders	Provides loans to buyersSavings and LoansCommercial BanksMutual Savings BanksCredit UnionsPension PlansMortgage Brokers
FHA Loans	Federal Housing Administration <a href="https://www.hud.gov/buying/loans">https://www.hud.gov/buying/loans</a> HUD and FHA are not the primary lending source. They insure the loan. FHA and VA loan exist to help people buy their own primary residence. Not to buy investment properties.
FHA Reverse Mortgage	Vehicle for older Americans to pull equity out of their home to purchase other properties or purchase a primary residence.
Home Inspection for an FHA loan	This disclosure lets the Borrower know that they need to have a home inspection done prior to purchasing a home. In the event, they decide not to get a home inspection done, they are choosing that at their own risk. The purpose of this form is to help consumers be informed and make good decisions.
HUD Homes	In the event that a FHA loan is given to a Borrower, they default and the property goes back to the Lender, that home is now called a HUD Home. Sometimes you can get really great deals on HUD homes.
Indirect Sources of Funds	Life Insurance CompaniesPension FundsInvestment Groups
Interest Rate Reduction Refinance Loan (IRRRL)	A Veteran buyer who already has a VA Loan in place on their home can do a streamline refinance, not taking cash out (cash out refinance).
Mortgage Brokers	A vast majority of buyers work with mortgage brokers who have a variety of resources, many different lenders that they can send a loan to. A mortgage broker will look at that lender's guidelines and see if that lender's criteria is a good fit for the buyer.
Purchase Loans	This loan helps you get competitive interest rates without requiring a down payment or private mortgage insurance.
The Primary Mortgage Market	Typically in primary mortgage market, a mortgage broker will originate a loan and then will package it and sell it on the secondary market.
The Primary Mortgage Market	Buyer meets with a mortgage loan officer and works to obtain funds for the purchase of their home. Also referred to as "retail lending": the gathering of funds directly to buyers who want to purchase property.
Three Basic Components	The Primary Mortgage MarketThe Secondary Mortgage MarketGovernment Influences
VA Loans	The Veterans Administration does not actually issue loans, but comes up with the qualifying criteria for the program and they work with direct lenders who will actually provide the funding for the loans to transpire for your buyer. The VA guarantees a portion of the loan to allow the lender to offer better terms to the buyer. <a href="https://benefits.va.gov/benefits/">https://benefits.va.gov/benefits/</a>

## Concept

Benefits of VA Loan	Purchase Loans, Cash Out Finance, Interest Rate Reduction Refinance Loan (IRRRL)
Common Misconception of VA Loan	It is commonly misunderstood, but The VA Loan can be used for new construction.
Easy Credit Qualifying	It is much easier for a buyer to qualify for an FHA loan, than a buyer to qualify for a conventional loan.
Example of IRRRL	When buyer purchased their home the interest rates were at 6%, and now interest rates are at 4%. It makes sense to refinance the loan to save money.
FHA for residential property only	An FHA loan is available for 1-4 units, as long as the Buyer lives in one of the units. Anything above 4 units is not considered residential, but commercial, and therefore the FHA loan would not be available for use.
History of FHA	The FHA Program began in 1934 after World War II. At the time, it was important that Americans, especially those that served in war, were provided the opportunity for the dream of homeownership to be made available.
Know Your Rights	HUD oversees all regulations with Fair Housing. In the event that a complaint was filed, it would be filed with HUD. HUD: Department of Housing and Urban Development
Lender must have vast experience with VA Loans	Make certain if your buyer is using a VA Loan, that they are utilizing a lender who knows exactly what they are doing and has vast experience with VA loans.
Low Down Payment	One of the best benefits is the low down payment. As of the taping of this course, a buyer can buy a house with as low as 3.5% down.
Maximum Mortgage Limits for FHA	Most useful piece of information on hud.gov: Current breakdown in table format for the maximum mortgage limits for the State of Utah broken down by county.  <a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a>
Mission of HUD and their role in the mortgage market:	"HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business."
The Role of the Federal Government	Plays a very large role in mortgage lending. FHA and VH are two of the most popular government loans.
The Secondary Mortgage Market	Is where home loans and servicing rights are bought and sold between lenders and investors
Three Benefits of FHA Loans	Low Down Payments Low Closing Costs Easy Credit Qualifying
Understanding of Mortgage Market	We, as real estate professionals, must understand the mortgage market in order to facilitate real estate transactions and help our buyers and sellers make informed decisions. As always, do not overstep your bounds of licensure or quote rates, act like mortgage professionals, etc. It is important to note, even if you hold a mortgage license, it is against the law in the State of Utah to wear the hat of both mortgage professional and real estate agent.
Understanding the flow of money	As a real estate licensee, you don't need to necessarily worry about the flow of money and how the details will work in every transaction. As a general rule, it is valuable for you to understand how the flow of money works.

US Department of Housing and Urban Development (HUD)	<a href="http://hud.gov">hud.gov</a> This website is a great resource for someone looking to buy a house. It provides great insight on how to qualify for a mortgage, figure out how much one can afford, get tips of avoiding foreclosure, etc. This website is the first place to go to find information on FHA loans.
VA and FHA loans	While the work is challenging and unpredictable, it is so rewarding to see someone who might not have been able to qualify for a loan, get approved for a VA or FHA loan and have the opportunity to purchase a home.
VA appraisals	These appraisals help make sure the property is safe, sanitary and sound.
VA Home Loan Fact Sheet	Discusses what the loan can be used for, the benefits, and who is eligible for a VA loan.