

## Q&A from VA Buyer Agents

To dispel VA myths held by reluctant listing agents and sellers, and to encourage them to accept your buyer's offer, we outline some tips below.

**Question:** How can I help get my VA buyer's offer accepted?

**Answer:** Write a clean, competitive offer and make sure the contract is complete (no blanks). Submit it to the listing agent along with a copy of the EMD (Earnest Money Deposit) check, the POF (proof of funds), the VA mortgage pre-approval letter, and letters from both you (buyer's agent) and from the buyer. In addition, many buyers are sending a family photo or a video for the sellers to review.

**Question:** What type of letters will strengthen my VA buyer's offer?

**Answer:** To be competitive, we suggest that you write a brief letter from buyer's agent to listing agent, outlining the strong points of your VA offer. Attached are some sample letters to get you started. In addition, we recommend that your buyers write their own, separate letter to the sellers. Refer to the samples here.

**Question:** What items should be included in my letter (from the buyer's agent to the listing agent)?

**Answer:** The letter from buyer's agent to listing agent summarizes the main points of the offer; specifically, the value of accepting VA financing. Main points that should be covered include:

- Amount of seller credit requested ("zero" will be more competitive)
- Quick close possible (verify 30 days or sooner with the lender)
- Which party will pay for Section 1 termite repairs (yes, buyers CAN pay)
- Section 2 termite repairs neither requested nor required (verify this is not an overlay for your buyer's lender)
- No repairs necessary except for safety issues
- Buyers are able to pay the difference between the offer price and the appraisal price, if the offer price is higher (only if buyers have additional cash on hand)

**Question:** What items should be included in my buyer's letter to the seller?

**Answer:** The letter from the buyer to the seller is an emotional letter, meant to tug on their heartstrings. We suggest you include:

- Branch of service
- Time served
- Deployment history
- Background story
- What they like about the house
- How their family will benefit from this wonderful home
- How their family will take good care of the home
- Expression of gratitude for considering their offer

Refer to the samples here on this page.

**Question:** What should be included in the VA lender's pre-qualification letter?

**Answer:** The letter from the VA mortgage lender should be on their letterhead. It should have the buyer's full legal name, and signed and dated by a loan officer. Here's a few things lenders may want to include in that letter:

- Loan amount can exceed the VA cap amount (if applicable to your situation)
- Lender has addressed all credit/conditions and verified funds to close
- Lender is direct VA funder (which means they can close quickly with simpler underwriting)
- Loan was scored and approved through DU (Desktop Underwriting) with a personal underwriter who viewed the file (if applicable)

**Question:** What type of VA mortgage lender should my buyer get qualified with?

**Answer:** VA has many varied rules and regulations that it's best to work with a direct mortgage lender who specializes in VA financing. Start by finding SDAR affiliate lenders listed on the SDAR web site. Finally, interview the lenders to ensure they have a track record of success before referring your buyers to them.

**Question:** Aren't VA rules the same no matter which lender my buyer selects?

**Answer:** No, every mortgage lender has their own "overlay" set of rules BESIDES the VA rules. Be sure to ask your VA lender about their additional underwriting requirements.

**Question:** It is helpful to call the listing agent before submitting an offer?

**Answer:** Yes, it is always beneficial to build good working relationships with our colleagues. Why not take a few minutes to call the listing agent and find out details about the listing, and also discover that agent's working style. That will give you a clue whether you should send them a brief cover letter, or a more detailed cover letter. Talking to the listing agent is also a great time to begin highlighting your buyers' strengths.

Additional VA concerns are tackled in the February and March 2014 SDAR newspaper articles. Look for more great upcoming articles also!

Disclaimer: These tips are not a substitute for legal advice. Remember to seek legal advice from a licensed legal professional if needed.

More questions? Please email us and we'll do our best to answer your questions.