

## Should you make a down payment on a VA loan?

**While a down payment is not required, it might save you money**

You don't need to make a down payment when you buy a house with a VA loan. This makes homeownership more affordable for veterans and active duty military personnel who qualify. But is buying a house with no money down a good idea when you have a VA loan?

### **Making a down payment can lower your funding fee**

When you use a VA loan to buy a house, you will have to pay a funding fee. This fee is a one-time payment you pay at closing or roll into your mortgage. How much you pay depends on the size of your down payment. See this table from the VA:

	<b>If your down payment is... Your VA funding fee will be ...</b>	
<b>First use</b>	<b>Less than 5%</b>	<b>2.3%</b>
	<b>5% or more</b>	<b>1.65 %</b>
	<b>10% or more</b>	<b>1.4%</b>
<b>After first use</b>	<b>Less than 5%</b>	<b>3.6%</b>
	<b>5% or more</b>	<b>1.65%</b>
	<b>10% or more</b>	<b>1.4%</b>

The fee is based on the amount of your loan and whether this is the first time you've gotten a VA loan. If you borrow \$250,000 to buy your first house with a down payment of less than 5%, you will pay \$5,750. If you make a down payment of 10% or more, you will pay \$3,500.

[H3:] Making a down payment can save money on interest payments

A down payment reduces the amount you need to borrow, which can save you money on interest payments over the life of the loan. It also starts you on a path to building equity in the home.

Look at the big picture of your finances before you make a down payment. You may want to keep cash in reserve to pay for unforeseen expenses or emergency repairs. If you have high interest debt, it may make more sense to pay down this debt rather than to put cash down on your house.

Would you like to learn more about VA home loans? Call 877-220-5533 to speak to one of our loan specialists or visit our [Get Started](#) page.



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## **NOTES & REMINDERS**