

VA loans for disabled veterans

Do disabled Veterans qualify for VA loans?

VA loans make homeownership more affordable for active military personnel, veterans and their families. Veterans with disabilities or injuries suffered in the line of duty may qualify for additional VA loan benefits. Here are some questions veterans often ask about the [VA loan program](#):

- Are disabled veterans exempt from the VA funding fee?
- Can veterans use disability income to apply for a VA loan?
- Are there any tax benefits for disabled veterans?
- Are there any special home improvement programs or grants available for disabled veterans?

VA loan benefits for disabled Veterans

All qualifying veterans can enjoy home loan benefits such as no down payments, no private mortgage insurance, credit score options, and competitive interest rates. However, there are additional VA loan benefits for disabled veterans including:

- VA funding fee waiver
- Disability benefits for veteran income
- Special housing grants
- Property tax exemptions

VA funding fee exemption

Most VA loan borrowers are required to pay a [VA loan funding fee](#). Because the Department of Veterans Affairs guarantees VA loans, it uses this fee to cover its losses on loans that may default. If a veteran is receiving or is entitled to receive VA compensation for a service-connected disability, they qualify for a VA funding fee exemption. Surviving spouses of veterans who died in service or from a disability related to service are also exempt. Veterans who have a disability

claim pending when their loan closes may qualify for a refund of the fee under certain circumstances.¹

The amount of the funding fee is based on your service and down payment. For first-time buyers who make no down payment, the funding fee is 2.15% of the loan amount. That means most veterans who take out a loan for \$200,000 will need to pay a funding fee of \$4,300. So qualifying for a VA funding fee exemption can offer significant savings to disabled veterans.

[VA disability benefits for veteran income](#)

Another VA loan benefit for disabled veterans is that in many cases, they can include their disability compensation as income toward a mortgage. Veterans still need to apply for a mortgage and document income following the normal process. However the greater the income you have available, the higher your chances may be of getting your loan approved.

[VA loan benefits: grants for disabled vets](#)

There are grants available to help disabled veterans get a home that suits their needs. The [Specially Adapted Housing \(SAH\)](#) grant helps disabled veterans live independently in a home that can accommodate their disability. Veterans can use the grant to construct an adapted home or remodel an existing home to meet their needs. There is also the [Special Housing Adaptation Grant \(SHA\)](#) that help veterans adapt a home they already own or to purchase a new home that has already been adapted. Some adaptation examples include adding a ramp to get in and out of the home, handles in the shower or bathroom or wider doorways to accommodate a wheelchair.²

[Tax credits and exemptions: VA loan assistance for veterans](#)

Disabled veterans may also be eligible for tax property exemptions and credits. The rules for exemptions vary by state and may have different criteria for qualification based on the veteran's disability rating. Those veterans with a 100% disabled status typically can get the most benefits, but some states allow for a lower percent of service-connected disability to qualify. Look at your options as these tax breaks could save you thousands of dollars. Be aware that tax laws can change, so it's important to do your due diligence and consult a tax advisor to make sure you can take full advantage of the laws.

Still have questions? Contact a Freedom Mortgage Loan Advisor today! [Get Started](#) today by calling 877-220-5533



1 - See the VA Funding Fee page on the [U.S. Department of Veterans Affairs website](#) for more information.

2 - See the Housing Grant for Disabled Veterans page on the [U.S. Department of Veterans Affairs website](#) for more information.



NOTES & REMINDERS