

Veterans can use their VA Loan Benefit to buy in a Home Owners Association

I thought I had heard just about every myth available to the VA loan until recently, when a client was blocked by a Real Estate Agent from purchasing a single-family home that was in a Home Owners Association (HOA). “You can’t buy that one because it is not on the VA APPROVED list” he said. When I heard this, I was shocked. It simply is Not True!

Sadly, that Veteran was denied a right to purchase (a right she earned while standing ready to defend our great nation) a home, based on the misconception of a less than knowledgeable Real Estate Agent.

This is but one example of the many myths that surround the use of the Veteran Loan. Most of us understand that Veterans who have served or are serving in the Armed Forces may be qualified to use their Veteran benefit of a ZERO money down home loan. Once eligible, they can use it either while they are active or any time after discharge. They can use it over and over and the benefit even extends to their surviving spouse in many cases. But, that is usually the extent of which most of us understand the VA loan. Unfortunately, this is also true for some in the Real Estate world who should know better. For the benefit of all, let’s go over this one together.

What the agent got right-

He was correct in knowing that the VA publishes a list of approved HOA’s. Approved VA Home Owner Associations can be found on the website for the Department of Veteran Affairs www.va.gov To the extent that he got it right, stops there.

What the agent got wrong-

Not all HOA’s need VA approval. His lack of understanding, his misconception that all HOA’s need to be approved, cost that deserving Veteran the home of her dreams.

So, what HOA’s do need approval? – Only Condominiums or Townhomes.

To be clear, **a single-family residence established in a Home Owners Association does not need VA approval.** Which is probably why that agent said that he couldn’t find the HOA on the VA approved list.

To be on the VA’s list, it means that the HOA must have, at one point, applied and received approval. VA’s goal is to help protect the interests of Veterans and the Government by ensuring that all properties located in an approved common interest community meet VA criteria. A full list of requirements for VA-approved condos can be found in Chapter 16 of the Department of Veterans Affairs Lenders Handbook.

Hopefully, this hard lesson can be absorbed by the Real Estate community to where myths are busted and ignorance of the VA loan surrounding HOA’s will be a thing of the past. If you know a Veteran or Spouse thinking of buying a home, ask them to attend a Veteran Buyer Workshop and get educated to the ins and outs of busting myths surrounding the VA Zero Money Down Home Loan.

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