VETERANS ADMINISTRATION
COUNSELING CHECKLIST FOR ACTIVE MILITARY HOMEBUYERS

1. Failure on the part of a borrower on active duty to disclose that he/she expects to leave the area within 12 months due to transfer orders or completion of his/her enlistment period may constitute "bad faith". If your loan is foreclosed under circumstances which include such bad faith, you may be required to repay VA for any loss suffered by the Government under the guaranty. (In ANY case in which VA suffers a loss under the guaranty, the loss must be repaid before your loan benefits can be restored to use in obtaining another VA loan.)

2. Although real estate values have historically risen in most areas, there is no assurance that the property for which you are seeking financing will increase in value or even retain its present value.

3. It is possible that you may encounter difficulty in selling your house, recovering your investment or making any profit, particularly if there is an active new home market in the area.

4. Receiving military orders for a permanent change of duty station or an unexpected early discharge due to a reduction in force will not relieve you of your obligation to make your mortgage payments on the first of each month.

5. "Letting the house go back" is NOT an acceptable option. A decision to do so may be considered "bad faith". A foreclosure will result in a bad credit record, a possible debt you will owe to the government and difficulty in getting more credit in the future.

6. If unexpected circumstances lead to difficulty in making your payments, contact your mortgage company promptly. It will be easier to resolve any problems if you act quickly and be open and honest with the mortgage company.

7. YOUR VA LOAN MAY NOT BE ASSUMED WITHOUT THE PRIOR APPROVAL OF VA OR YOUR LENDER.

8. VA does NOT guarantee the house and its condition, only the loan. If you buy a previously occupied house, you must satisfy yourself that its condition is satisfactory.

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Borrower: Date Borrower: Date

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Lender Date