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**National Survey of Veterans,  
Active Duty Service Members,  
Demobilized National Guard  
and Reserve Members,  
Family Members, and  
Surviving Spouses**

**Final Report  
Deliverable 27**

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## 4.4.6 Home Loans

The VA Home Loan Guaranty Program provides Veterans the opportunity to become homeowners and assists them in retaining those homes in times of financial hardship. Unlike some other VA benefits, a Veteran's family is not granted home loan benefits separate and apart from those provided to the Veteran. However, an unmarried Surviving spouse of a service member or Veteran whose death was related to military service may qualify for home loan guaranty benefits in his or her own name.

Results shown below for the Spouses of Veterans and Active Duty Service members reflect the responses of the family members (in this case, the spouses), even though the home loan benefits are not directly available to them.

Major highlights from Section 4.4.6 include:

- A higher percentage of Active Duty spouses who have ever had a home loan reported using the VA Home Loan Guaranty Program (78.9%) than Veteran spouses (56.7%) or Surviving spouses (51.3%).
- The most cited reasons in choosing a VA home loan were no down payment was required (49.8 percent of Veteran spouses and 36.5 percent of Surviving spouses) and there was a favorable interest rate (28.1 percent of Veteran spouses and 35.3 percent of Surviving spouses).
- Spouses who reported ever having had a home loan, but not a VA loan, were asked the main reason they had not used the VA Home Loan program. The most common response from Veteran spouses and Surviving spouses was that they did not know about the program (40.5% and 46.3%, respectively).

**Table Details:** Table 4.4.6-A. Home Loans

- **Obtained a Home Loan (H2, E2, G2).** Spouses were asked whether they had ever obtained a home loan. More than half of Veteran spouses (58.0%) and Active Duty spouses (59.4%) indicated that they had obtained a home loan at some point, along with 38.7 percent of Surviving spouses.

- **Lender Discussed VA Home Loan Options (H2a, E2a, G2a).** Of those who remember, close to 39 percent of Veteran spouses and about 29 percent of Surviving spouses indicated that their lender had discussed the VA Home Loan Guaranty program as a loan option.
  
- **Those with Home Loan Who Report Ever Having a VA Home Loan (H3, E3, G3).** More Active Duty spouses reported using the VA Home Loan Guaranty Program than Veteran spouses or Surviving spouses (78.9 percent compared with 56.7 percent and 51.3 percent, respectively).
  
- **How Long Ago Their Most Recent Home Loan Was Obtained (H3a, E3a, G3a).** Spouses that had ever had a VA home loan were asked how long ago it was obtained. The most frequent response was “More than 20 years ago” by 42.5 percent of Veteran spouses and just over 67 percent of Surviving spouses.
  
- **When Used Home Loan Program (H3b, N/A, G3b).** Of spouses who indicated they had ever used the VA Home Loan Guaranty program, 86.3 percent of Surviving spouses indicated they obtained it after active duty, as did 75.3 percent of Veteran spouses.
  
- **Most Important Reasons in Choosing a VA Home Loan (H4, E4, G4).** Spouses that had ever had a VA home loan indicated the most important reasons for using it; the most frequently cited reasons included:
  - No down payment required
    - Veteran spouse (49.8%)
    - Surviving spouse (36.5%)
  - Favorable interest rate
    - Veteran spouse (28.1%)
    - Surviving spouse (35.3%)

Table 4.4.6-A. Home Loans

Survey Item			Veteran spouses	Active Duty spouses	Surviving spouses
<b>Percent indicating they have ever obtained a home loan (H2, E2, G2)</b>			58.0%	59.4%	38.7%
<b>(Of those ever with loan) Percent indicating their lender discussed option of VA's home loan guaranty program (H2a, E2a, G2a) *</b>			38.8%	—	28.8%
<b>(Of those ever with loan) Percent indicating they have ever used VA home loan guaranty program (H3, E3, G3)</b>			56.7%	78.9%	51.3%
<b>(Of those ever with VA loan)</b>	<b>How long ago did you obtain your most recent home loan (VA or other)? (H3a, E3a, G3a)</b>	Within last 5 years	13.4%	—	9.5%
		6-10 years ago	23.9%	—	8.4%
		11-20 years ago	20.1%	—	14.9%
		More than 20 years ago	42.5%	—	67.2%
<b>(Of those ever with VA loan)</b>	<b>When did you use the VA home loan guaranty program? (H3b, N/A, G3b)</b>	During active duty	18.7%	N/A	6.5%
		After active duty	75.3%	N/A	86.3%
		Both during and after	6.0%	N/A	7.1%
<b>(Of those ever with VA loan) Most important reason chose to get a VA home loan (H4, E4, G4)</b>	No down payment required	49.8%	—	36.5%	
	Convenience	8.6%	—	17.1%	
	No mortgage insurance required	2.5%	—	0.9%	
	Favorable interest rate	28.1%	—	35.3%	
	Loan more likely to be approved	8.9%	—	8.9%	
	VA's assistance to avoid foreclosure	0.0%	—	0.0%	
	Previous experience with the VA loan program	2.1%	—	1.2%	

SOURCE: 2010 National Survey of Veterans — Surveys of Spouses and Surviving Spouses

“N/A” indicates that the item was not asked in this version of the survey.

\* Responses of “Don’t know” were excluded from the denominator.

— Fewer than 30 respondents from this Survey answered this question; results are suppressed.

**Table Details:** Table 4.4.6-B. Reasons for Not Using VA Home Loan Guaranty Program

- Reason for Not Using VA Home Loan Program (H5, E5, G5).** Spouses who had ever had a home loan but not a VA loan were asked the main reason they did not use a VA home loan. More than 40 percent of Veteran spouses and 46.3 percent of Surviving spouses indicated they “Did not know about the program.” Also commonly cited was that a conventional FHA mortgage was easier or less expensive to obtain (27.3 percent of Veteran spouses responded this way, as did 21.5 percent of Surviving spouses).

**Table 4.4.6-B. Reasons for Not Using VA Home Loan Guaranty Program**

Survey Item	Veteran spouses	Active Duty spouses	Surviving spouses	
<b>(Of those ever with loan but not VA) If you have not used the VA home loan program, what was the main reason you did not? (H5, E5, G5)</b>	A conventional FHA mortgage was easier or less expensive for me to obtain	27.3%	—	21.5%
	I applied for a VA home loan, but did not qualify	0.0%	—	1.5%
	I did not apply because I did not think that I would qualify	14.4%	—	7.6%
	I thought that the process for obtaining a VA loan would take too long	0.5%	—	3.2%
	My lender and/or realtor discouraged the use of the VA program	6.9%	—	0.0%
	The VA funding fee was too high	0.0%	—	0.0%
	I didn't know about the program	40.5%	—	46.3%
	Other	10.4%	—	19.8%

SOURCE: 2010 National Survey of Veterans — Surveys of Spouses and Surviving Spouses

— Fewer than 30 respondents from this Survey answered this question; results are suppressed.