VETERANS

# HOME BUYER'S GUIDE

NOVUS HOME MORTGAGE
A DIVISION OF IXONIA BANK



**BUILT TO SERVE THOSE WHO SERVED**

# WELCOME HOME



You earned this benefit through your service. We wrote this guide to make sure you know how to use it.

The VA loan is one of the most powerful home financing tools available anywhere in the United States, zero down payment, no private mortgage insurance, competitive rates, and a reusable benefit that stays with you for life.

Most veterans qualify. Most veterans underuse it. And too many find out what they left on the table only after they've already closed on a lesser loan. That's the problem this guide exists to solve.

My name is Ariel Carballo. I'm a Marine Corps veteran and a mortgage loan officer at Novus Texas in Dallas-Fort Worth.

I didn't write this as a sales pitch. I wrote it because when I got out, nobody explained my VA benefit clearly, and I had to piece it together on my own. I don't want that to be your experience.

What's inside is straightforward: eligibility requirements, how to get your Certificate of Eligibility, a clear breakdown of costs, the DFW market landscape, Texas-specific programs that most lenders never mention, and a step-by-step walk through the buying process from pre-approval to closing day. No fluff. No fine print buried in the back. Just the information you need, organized the way you'd want it explained by someone who's been where you are.

When you're ready to take the next step, whether that's today or six months from now, I'm here.

**SEMPER FI,**

Ariel Carballo

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# ABOUT NOVUS TEXAS



**Marcus Lepp**



**Shawn Fehily**

We're Marcus Lepp and Shawn Fehily, Branch Managers here at Novus Home Mortgage. Between us, we bring more than 45 years of mortgage experience to the Dallas-Fort Worth market. We've seen every rate environment, every market cycle, and every type of borrower situation. That depth of experience is what the Novus Texas team runs on.

We built this office because the mortgage industry too often treats homebuyers as transactions rather than people. We wanted to do it differently: in-house processing, in-house underwriting, and an in-house closing team so that every file stays under our roof, under our watch, from application to closing day.

Our team lends across all 50 states and works with every loan type.
For veterans and active-duty service members, that matters most. The VA loan benefit is one of the most powerful financial tools available to any homebuyer in this country. We take it seriously,  and we have loan officers on our team, like Ariel Carballo, who've served themselves and bring that firsthand perspective to every veteran client.

If you're buying your first home, your fifth investment property, or finally ready to use a benefit you've been sitting on, we'd like to be the team that helps you get there.

# THE STANDARD WE HOLD

We believe that veterans and homebuyers deserve more than access to loan programs. They deserve a team that thinks about their financing the way they think about every significant decision: with precision, with patience, and with complete alignment between the advice given and the outcome delivered.

That belief is the foundation on which Novus Texas was built, and the standard against which we measure every client relationship. It is why every borrower works directly with a dedicated loan officer, supported by in-house processing, in-house underwriting, and an in-house closer who sees the file through to funding.

It is why we study entitlement structures and disability rating exemptions as carefully as we study rate sheets and debt-to-income ratios. It is why some of our most important work happens before an offer is written, in the pre-approvals, the COE pulls, and the honest conversations about what a veteran's benefit actually makes possible that most lenders never take the time to have.

Dallas-Fort Worth is our home. The people who live here, work here, serve here, and plant roots here are the ones we show up for every day. The clients who find the right fit at Novus Texas are the ones who expect a lender to get it right, not just get it done.



★★★★★

“Ariel was phenomenal from start to finish! He helped close on our house with ease and was always available when we had any questions. Couldn’t have asked for a better team to assist in buying our first home. I appreciate all the hard work that was done by everyone!”

Megan W.

# WHAT IS A VA LOAN?

A VA loan is a mortgage benefit earned through military service. Backed by the U.S. Department of Veterans Affairs, VA loans are issued by private lenders,  like Novus Home Mortgage, and come with terms that no conventional or FHA product can match.

VA loans can be used to purchase an existing home, build new construction, or refinance a current mortgage. There is no loan limit for veterans with full entitlement, meaning in Dallas-Fort Worth, where median home prices have crossed $400,000, you can borrow what you need without a down payment penalty.

The VA doesn't lend money directly. Instead, it guarantees a portion of the loan, reducing the lender's risk. That guarantee is what allows lenders like Novus Texas to offer better rates and eliminate PMI for veterans.

## THE FOUR CORE VA LOAN ADVANTAGES:



01.

**No down payment required on the full purchase price.**



02.

**No private mortgage insurance (PMI).**



03.

**Competitively low interest rates backed by a government guarantee.**



04.

**Lenient credit guidelines compared to conventional lending.**

★★★★★

“Ariel was awesome! He did everything in his power to get us approved for a loan when other loan officers struggled. Highly recommend.”

*April R.*

# *WHO QUALIFIES?*
# ELIGIBILITY REQUIREMENTS



VA loan eligibility is based on your service history. Most veterans, active-duty service members, National Guard members, reservists, and certain surviving spouses qualify.

The VA issues eligibility through a Certificate of Eligibility (COE).

- **Active Duty (Wartime) - 90 continuous days**
- **Active Duty (Peacetime) - 181 Continuous days**
- **National Guard / Reserves** - 6 years, or 90 days active under Title 10/32
- **Surviving Spouses** - Unremarried spouse of a veteran who died in service or from a service-connected disability
- **Discharged Early** - May still qualify with discharge for hardship, disability, or reduction in force

## YOUR CERTIFICATE OF ELIGIBILITY (COE)

- Through your lender (fastest): Novus Texas can request your COE electronically through the VA's ACE system in most cases.
- Through eBenefits: Log in at va.gov and navigate to the COE section.
- By mail: Complete VA Form 26-1880 and mail it to your VA regional loan center.

*Note: Your Certificate of Eligibility (COE) confirms your VA loan benefits, including your available entitlement, eligibility status, loan program options, and any VA Funding Fee exemption. Veterans with a service-connected disability rating of 10% or higher may be exempt from the funding fee, potentially saving up to 3.3% of the loan amount. Be sure to notify your lender of any VA disability benefits before closing so the exemption can be applied correctly.*

*Honorable, general, and uncharacterized discharges typically qualify. Dishonorable discharges do not. If your discharge falls outside these categories (e.g., OTH), contact the VA for a Character of Discharge review.*

# VA LOAN BENEFITS

## Conventional & FHA



| Feature | VA Loan | FHA Loan | Conventional |
|---|---|---|---|
| Down Payment | 0% | 3.5% (min) | 3%-20% |
| Mortgage Insurance | None | MIP for life of loan | PMI until 20% equity |
| Min. Credit Score | No VA minimum* | 580 (3.5% down) | 620+ |
| Loan Limit | No limit (full entitlement) | $541,287 (2026 baseline) | Varies by county |
| Assumable | Yes | Yes | Rarely |
| Funding Fee | 0.5%-3.3% (waived if disabled) | None | None |
| Property Inspection | VA appraisal + MPR check | FHA appraisal + MPR | Standard appraisal |
| Best For | Eligible veterans/military | Low credit / low savings | Strong credit buyers |

**Lenders set their own minimum credit score requirements. Novus Texas works with veterans across a wide range of credit profiles.*

### THE PMI SAVINGS ARE REAL

- On a $400,000 conventional loan with 5% down, PMI typically runs $150-$250/month.
- That's $1,800-$3,000 per year, money a VA borrower keeps in their pocket every single year, with no requirement to build equity first.
- Over a 5-year period, that's $9,000-$15,000 in savings from PMI elimination alone.

# HOW MUCH CAN YOU AFFORD?

## KEY QUALIFYING FACTORS

VA loans have no loan limit for veterans with full entitlement, but your lender will still qualify you based on income, debt, and residual income, the VA's own standard that ensures you can cover monthly living expenses after your mortgage payment.

- **Debt-to-Income Ratio (DTI):** The VA guideline is 41%, but lenders have flexibility. Novus Texas regularly works with veterans above this threshold when compensating factors are strong.
- **Residual Income**: The VA requires a minimum amount of income left over after all monthly obligations. For a family of four in Texas, that threshold is $1,003/month.
- **Credit Score:** No VA minimum exists, but Novus Texas works with veterans at various credit levels. Stronger scores unlock better rates.
- **Employment History:** Two years of stable employment is standard, but exceptions exist for recently discharged veterans and those transitioning from military to civilian employment.

*The best way to know your real number is to get pre-approved. Novus Texas issues pre-approval letters the same day in most cases, giving you a clear budget before you walk into a showing.*



# THE HOME BUYING PROCESS

STEP 1

1

**Confirm Eligibility & Obtain COE**

Contact Novus Texas or log into va.gov. We can pull your COE electronically within minutes in most cases.

2 STEP 2

**Get Pre-Approved**

Submit your income documents, credit authorization, and service records. We'll issue your pre-approval letter and confirm your purchasing power.

STEP 3 3

**Find a Home with a VA-Experienced Realtor**

Without confirmed finance, buyers lose negotiation leverage and may miss opportunities in competitive markets.

4 STEP 4

**Make an Offer**

Buying in the wrong location or without understanding growth potential can limit lifestyle satisfaction and long-term returns.

STEP 5 5

**VA Appraisal & Underwriting**

Forgoing building, pest, or legal inspections risks costly repairs, structural issues, and legal complications.

6 STEP 6

**Clear & Close**

Once underwriting is complete and any appraisal conditions are resolved, you receive your Closing Disclosure and schedule your closing date.

STEP 7 7

**Closing Day**

Sign documents, pay any allowable closing costs (or negotiate seller concessions to cover them), and receive your keys.

# VA APPRAISALS

## & THE MPR CHECKLIST



The VA appraisal serves two purposes: it determines the home's market value, and it confirms the property meets the VA's Minimum Property Requirements (MPRs), the baseline standards ensuring the home is safe, structurally sound, and sanitary.

### WHAT VA APPRAISERS CHECK:

- Roof condition: Must have reasonable remaining life and not allow moisture into the structure
- Heating and cooling: Adequate heat source required; central AC not required but common in Texas
- Electrical: No exposed wiring, functional outlets, and a panel that can support the home's load
- Plumbing: Hot and cold running water, functional sewage/septic
- Foundation: No evidence of active settlement or structural failure
- Wood-destroying pests: Texas requires a termite inspection for VA purchases
- Water quality: Well water must be tested if applicable

### VA APPRAISAL VS. HOME INSPECTION

- A VA appraisal is NOT a home inspection. It checks for safety and value, not every system, component, or cosmetic issue.
- Always order an independent home inspection. It costs $300-$500 and is one of the highest-value decisions you'll make in the buying process.
- Novus Texas strongly recommends that all VA buyers include a home inspection contingency in their offer.

If the appraisal comes in below the purchase price, you have three options: negotiate the price down to the appraised value, pay the difference in cash (rare but possible), or walk away and keep your earnest money. The VA's 'escape clause' protects you; you cannot be forced to close on an over-appraised home.

# UNDERSTANDING THE COSTS

## TO NEGOTIATE AND PLAN



| Cost Item | Scenario | Amount |
|---|---|---|
| VA Funding Fee | First Use, 0% Down | 2.15% of loan amount |
| VA Funding Fee | Subsequent Use, 0% Down | 3.3% of loan amount |
| VA Funding Fee | With 5% Down | 1.5% of loan amount |
| VA Funding Fee | With 10% Down | 1.25% of loan amount |
| VA Funding Fee | Disabled Veterans (10%+ rating) | EXEMPT — $0 |
| Origination Fee | Lender charge | Up to 1% of loan amount |
| Title / Settlement | Third-party | Varies by county |
| VA Appraisal | Required for all VA loans | $600-$1,000 (Texas) |
| Prepaid Items | Insurance, taxes, interest | Typically 2-3 months |

**Lenders set their own minimum credit score requirements. Novus Texas works with veterans across a wide range of credit profiles.*

### NON-ALLOWABLE FEES - WHAT SELLERS CAN PAY

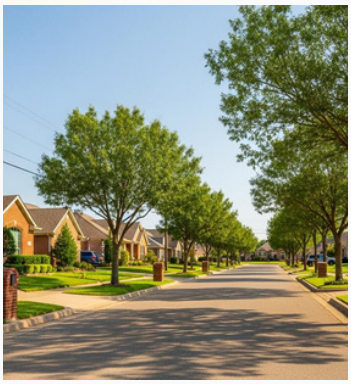
- The VA restricts certain fees from being charged to veteran buyers. Sellers can pay any closing costs, including the VA funding fee.
- Negotiate up to 4% in seller concessions to cover all closing costs, prepaid items, and even pay down points to lower your rate.
- In a balanced market, asking for seller concessions is common and expected. Your Novus Texas loan officer will guide you on what to request.

# THE DFW MARKETS

## WHAT VETERANS NEED TO KNOW



The Dallas-Fort Worth metroplex has one of the most active real estate markets in the country and one of the highest concentrations of veterans in Texas. Understanding where to buy and what to expect puts VA buyers in a stronger position.



**Fort Worth / Benbrook / White Settlement:** Proximity to NAS Fort Worth JRB and abundant housing inventory make this corridor a top choice for veterans and transitioning service members.

**Killeen / Temple / Copperas Cove:** The Fort Hood (formerly Fort Cavazos) corridor is one of the most active VA purchase markets in Texas. High entitlement usage, competitive builder market.



**Frisco / McKinney / Allen:** Premium suburb market with strong school districts. No down payment required means VA buyers compete directly with conventional buyers in the $450K-$600K range.

**Arlington / Grand Prairie / Mansfield:** Mid-range pricing, strong value for veterans relocating from higher-cost markets. Active resale inventory.



**Denton / Lewisville / Flower Mound:** North DFW growth corridor with new construction activity. VA One-Time Close construction loans are in demand here.



# TEXAS VETERANS LAND BOARD PROGRAMS



Texas is one of the few states that operates its own veteran benefits programs separate from federal VA benefits.

The Texas Veterans Land Board (VLB) offers two distinct programs, and they can sometimes be used in combination with VA loans.

**VLB Land Loan Program:**
Financing for raw land purchases, useful for veterans planning to build. Minimum 5% down. Available statewide.

**VLB Home Loan Program:**
Below-market interest rates on home purchase loans for Texas veterans. Low or no down payment required. Not a VA loan, operates independently.

## DISABLED VETERAN PROPERTY TAX EXEMPTION

Texas offers one of the most generous property tax exemptions for disabled veterans in the country:

- 10%-29% disability rating: $5,000 exemption
- 30%-49% disability rating: $7,500 exemption
- 50%-69% disability rating: $10,000 exemption
- 70%-99% disability rating: $12,000 exemption
- 100% disability rating: Full exemption on primary residence

*Veterans with a 100% P&T (permanent and total) rating pay no property taxes on their primary residence in Texas. Figures based on 2026 guidelines.

# CLIENT TESTIMONIALS

★★★★★

We had an amazing experience with Novus from the very start! Our Loan Officer, Ariel Carballo, was incredibly kind, responsive, and great to work with . We would recommend Novus to any of our close family and friends . Thank you!

*Georgi L.*

★★★★★

Ariel was knowledgeable and efficient throughout every step. I would highly recommend Ariel to others.

Israel R.

★★★★★

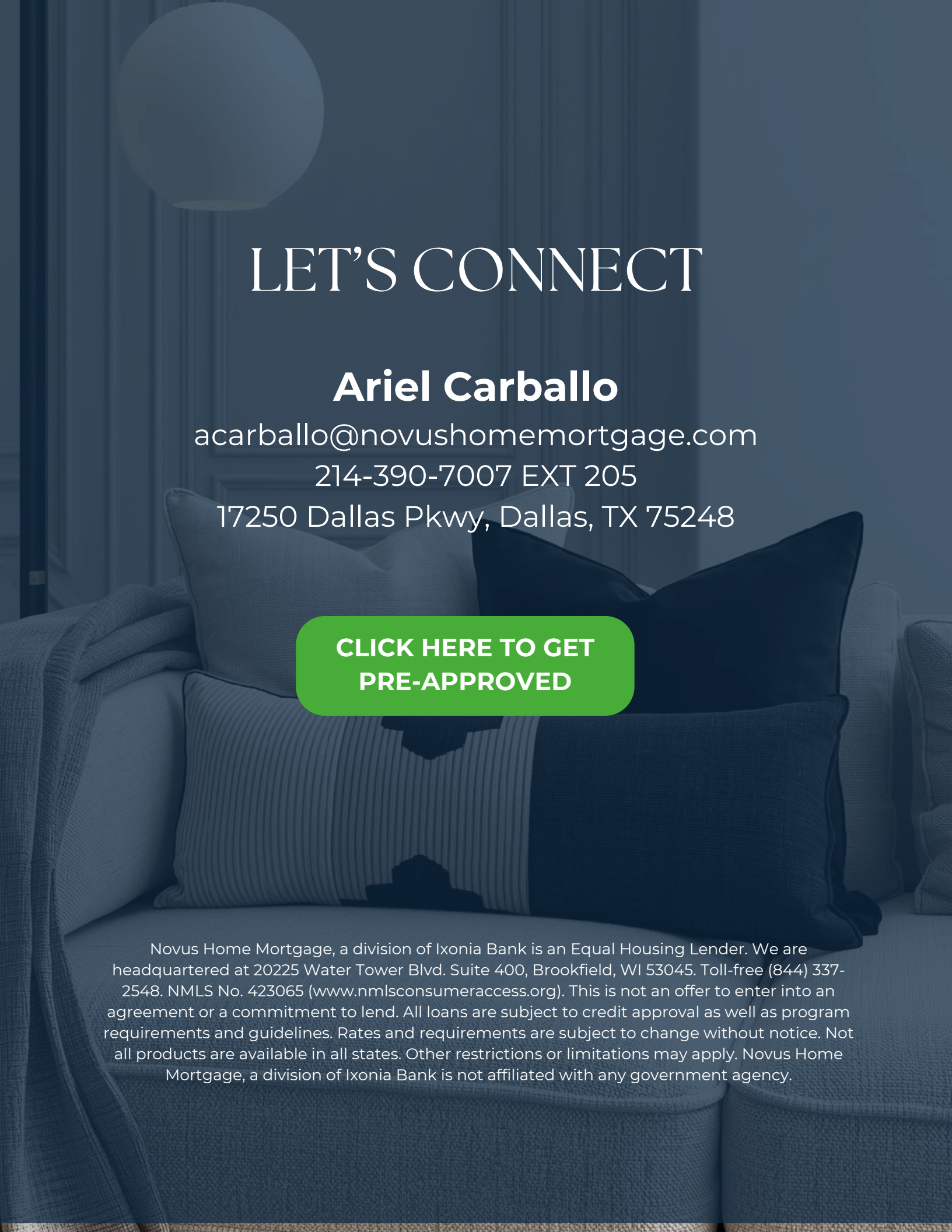
Ariel went above and beyond to help my home-buying experience go smoothly. He was there for me every step of the way. I look forward to working with him and his team in the future.

*John M.*

★★★★★

They went above and beyond with the process. im so appreciative of the whole team.

*Laura P.*



# LET'S CONNECT


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**CLICK HERE TO GET PRE-APPROVED**


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