

Published based on [Help For Homeowners: Different Types of VA Refinance Mortgages Help Homeowners](#)

Help For Homeowners: Different Types of VA Refinance Mortgages Help Homeowners

Are you a homeowner in the area of Phoenix, Scottsdale, Glendale or surrounding areas facing mortgage problems? Do you owe more on your home than it is worth? If you are sinking and see no way out, a short sale may be the solution. In Arizona, short sales have [help for homeowners](#), many people avoid foreclosure and reduce the damage done to their credit. In order to experience the best results, it is essential that you work with an experienced and qualified Phoenix realtor who has a deep working knowledge of the process.

Types of VA Refinance Mortgages

There are three main types of VA refinance loans that can be used in different situations. If a homeowner who is a current service member or veteran of the Armed Forces wishes to not only refinance his current mortgage, but also consolidate debt, the cash-out VA mortgage would be the best product, regardless of his or her current loan type. If a homeowner currently does not have a VA loan, but wants to take advantage of the benefits offered by this program, he should use the VA rate-term refinance mortgage. If a homeowner currently has a VA loan and wishes to lower his interest rate, the type of refinance that may best suit him is the Interest Rate Reduction Refinance Loan.

Keep your house and your property in good condition and repair and cooperate with your broker to show it to potential buyers. You may be required to continue to make full or partial mortgage payments (this will be determined by your lender). You must be able to provide the buyer of your home with clear title. To start, determine if you have other loans, judgments or liens secured by your home, such as a home-equity line of credit or a second mortgage. If there are such liens, you will need to either pay these loans off in full or negotiate with the lien holders to release them before the closing date. Under this program, you must make sure other lien holders will agree not to pursue other legal action related to the pay off of their lien, such as a deficiency judgment. You can get help from your broker to negotiate with the other lien holders. The program allows up to 6% of the unpaid principal balance of each loan (not to exceed an aggregate of \$6,000 for all the loans in total) to be paid from the sale proceeds to help get a lien release. At several stages of the short sale process, such as after an offer is received, you will need to complete some paperwork. You are responsible for returning all documents within the time allowed in your short sale agreement with your lender.

Rate-Term VA Refinance Mortgage

A rate-term VA refinance mortgage allows homeowners to refinance up to 100% of their home's value and take advantage of all the benefits that this program has to offer. With a VA loan, the homeowner will never be required to pay monthly mortgage insurance and will have access to low, fixed rates. This type of VA refinance mortgage can significantly lower monthly payments without high out-of-pocket expenses.

If by the termination date of your short-sale agreement with your lender you have not been able to sell your home, but you have complied with all of your responsibilities under the agreement, then you will be given the opportunity to convey (transfer) ownership of your home to the lender. While this will not allow you to keep your home it will prevent you from going through a foreclosure and will release you from all responsibility to repay the mortgage debt. Additionally, you will still be eligible to receive \$3,000 to help with your moving expenses.

Learn more about [Obama Mortgage Relief Plan Qualifications](#).

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