

A Veterans Day complaint review: VA home loan refinancing

By [Holly Petraeus](#) - NOV 10, 2016



Every November, we take time to honor the service of the many men and women who've worn the uniform of our armed forces. As veterans, they've earned our gratitude and respect. Their service has also earned them access to various veterans' benefits, to include home loan guarantees from the Department of Veterans Affairs (VA). But navigating the crowded market of lenders competing for their benefit can sometimes put veterans at a disadvantage if they don't fully understand their options or rights as consumers.

So this Veterans Day we're focusing on mortgage refinance issues in our third semi-annual Servicemember Complaint Snapshot. Since the Bureau began accepting mortgage complaints in 2012, we've received over 12,500 mortgage complaints from servicemembers, veterans, and their families. This snapshot reviews and analyzes about 1,800 of those complaints related to mortgage refinancing.

We note an increased interest in refinancing by consumers and lenders. This may be due to a number of factors, including the current low interest rates. However, as we often see with financial products and services, what could benefit a borrower may also have the potential for financial harm. For lenders, a VA refinance is considerably quicker and easier than other types of refinance loans because it may not require an appraisal or conventional underwriting. This may lead some lenders to aggressively pursue veterans with offers to refinance their VA mortgage - but those offers may have hidden features or not be in the veteran's best interest financially.

Overall, in their complaints to us, veterans report that the solicitations and advertisements they receive are often misleading. Many complain that lenders fail to deliver on the promises made during the application process. And the quick underwriting often results in the borrower's failure to clearly understand important loan details, like how the new escrow account will be set up.

To review the complaints in detail, [download the snapshot](#).

Here are some tips to remember if you are thinking about refinancing:

1. **You don't have to respond to the marketing** - Though an ad may sound or look official, you don't have to refinance your home unless you decide it's in your best interest. Take a look at how long you will pay the new loan, and whether the interest rate will change, not just at the monthly payment.
2. **Be a savvy consumer - look at everything an advertiser has to say about the product they're selling.** Many times, specific terms and conditions are hidden in the advertisement.

3. **Understand the risks - not every ad directed towards your military status is a guarantee.** You may not always qualify for the rates and terms that the advertisement lists. Before applying, ask your lender upfront about all the qualifications required and understand what you need to meet before you can finalize the process.
4. **Remember to shop around - within a limited time (14-45 days), you can shop around for a mortgage and it will be counted as a single inquiry affecting your credit score.** Don't limit your lender choices just because your credit has already been pulled by one lender. The impact of an inquiry is small, while shopping around for the best deal can potentially save you a lot of money in the long run.
5. **Know the process - we're here to help you with financing your home.** Learn what to expect and what questions to ask. There are tools and resources to help you make decisions, [such as our Owning a Home tool](#).

Have a mortgage related question?

[Get answers from AskCFPB](#)

Have an issue with a financial product or service?

If you have a problem with a consumer financial product, or if you know someone in that situation, you can [submit a complaint online](#) or call (855) 411-2372. We'll forward your complaint to the company and work to get a response from them. We make your voice heard.

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