

ILLINOIS VETERAN HOMEBUYING GUIDE

A gentle reference for Veterans, service members, and eligible military households



Ralph Waller

Illinois Licensed Real Estate Broker | License #475117226 | Kale Realty

(708) 308-9053

The purpose of this guide

This is not a Veteran benefits course - and it is not intended to make you an expert. It is a practical orientation to help you recognize questions, documents, benefits, and decision points that may matter when buying a home. When a question belongs with the VA, your lender, county assessment office, attorney, inspector, appraiser, insurance professional, or another qualified source, this guide points you in that direction.

High Touch | High Class | Low Pressure

Education before persuasion. Guidance before pressure.

1 | Start With Your Situation

Military homebuying is not one-size-fits-all. Your service history, duty status, eligibility, financing, disability rating, household plans, and the property itself can affect the path.

Veteran

A Veteran requesting a VA home-loan Certificate of Eligibility (COE) may need discharge or separation papers such as a DD214. The COE confirms to a lender that VA home-loan eligibility requirements have been met based on service history and duty status.

Active-duty service member

An active-duty service member may use a signed **statement of service** rather than a DD214 when requesting a COE. VA specifies information that the statement should contain, so confirm the current requirements with VA or your lender.

National Guard and Reserve

Documentation can differ depending on whether you are current or former, activated or never activated. VA lists the records that may apply to each situation.

Eligible surviving spouse

Some surviving spouses may qualify for VA home-loan benefits. Eligibility and required documentation should be confirmed directly with VA and the lender.

Our lane

We help you understand the real estate process and coordinate the transaction. VA determines benefit eligibility; your lender determines financing approval and loan requirements.

2 | Gather the Right Documents Early

You do not need to arrive with a perfect file. Gathering the documents that apply to your situation early can make conversations with the lender and VA easier.

- **Veteran:** locate your DD214 or other applicable discharge/separation documents.
- **Active duty:** ask about the VA-required statement of service.
- **Guard or Reserve:** ask VA or your lender which service documents apply to your status.
- **Certificate of Eligibility (COE):** ask whether your lender can obtain it for you or whether you should request it through VA.
- **Disability documentation:** if you are exploring disability-related benefits or exemptions, ask the administering agency what proof is required.

Can't find your DD214?

The National Archives provides an official process for Veterans and eligible requesters to obtain military service records, including DD Form 214. Use the official National Archives military records page rather than paying an unknown third party.

Path to the source: VA COE guidance - [VA.gov](https://www.va.gov) / How to request a COE

Military records: National Archives / [Request Military Service Records](https://www.archives.gov/military-records)

3 | VA Financing: Know the Benefit, Ask the Lender

A VA-backed purchase loan can be a powerful homebuying tool, but eligibility for the benefit and approval for a particular mortgage are different questions.

- VA-backed purchase loans may allow no down payment when applicable requirements are satisfied.
- No down payment does not necessarily mean no cash is needed. Earnest money, inspections, prepaid items, insurance, closing costs, and any buyer-broker compensation that is your responsibility may still affect cash needed to close.
- You still must meet VA and lender standards for matters such as credit, income, occupancy, and the requested loan.
- The VA appraisal is part of the loan process, but it is not a home inspection. Consider an independent home inspection under your contract and professional guidance.

VA funding fee

Some borrowers pay a one-time VA funding fee. The amount can vary based on the loan type, down payment, and whether the VA home-loan benefit has been used before. Some eligible borrowers are exempt, including certain Veterans receiving VA compensation for a service-connected disability. Ask your lender whether the fee applies to you and what amount applies.

Buyer-broker compensation

Under current VA policy, a Veteran may pay reasonable and customary buyer-broker charges when applicable requirements are satisfied. Your written buyer brokerage agreement should explain the compensation agreed with your real estate brokerage. If any amount may be your responsibility, discuss it with your real estate broker and lender before making an offer so you understand how it may affect cash needed to close.

Helpful questions for your lender

- What does my COE show, and do I have sufficient entitlement for this purchase?
- Does a VA funding fee apply to me, or am I exempt?
- How are property taxes, exemptions, insurance, association dues, and other housing costs being treated in my qualification?
- If I am responsible for any buyer-broker compensation, how will that affect the liquid funds I need to close?

4 | Illinois Property-Tax Relief for Veterans With Disabilities

Illinois provides a Standard Homestead Exemption for Veterans with Disabilities. It is based on a qualifying service-connected disability and applies to the home's Equalized Assessed Value (EAV) - not simply the home's purchase price.

In plain language

- 30% to less than 50% service-connected disability: \$2,500 reduction in EAV.
- 50% to less than 70%: \$5,000 reduction in EAV.
- 70% or more: the first \$250,000 of EAV of the qualifying residential property is exempt from taxation.

A home can therefore have a purchase price above \$250,000 and still potentially have its taxable EAV fully covered by the exemption. Purchase price and EAV are not the same number.

Important: the exemption is not automatic at closing

A qualifying Veteran must apply through the appropriate county assessment office and provide the documentation required by that county. Application procedures, deadlines, renewal requirements, and timing can vary. Closing on the home by itself does not activate the exemption.

Coordinate two separate questions

Ask your lender how an anticipated Veteran property-tax exemption is being treated in underwriting and the projected housing payment. Separately, confirm eligibility, application steps, timing, and ongoing requirements with the county assessment office where the property is located.

Illinois Department of Revenue - Property Tax Relief

5 | The Home Search and Offer

Once financing readiness is established and you and your real estate brokerage have a mutually executed buyer brokerage agreement and applicable disclosures, the property search can move from planning to active representation.

Use the companion guides when they fit

This Veteran Guide focuses on considerations that may be especially relevant to Veterans, service members, and eligible military households. For the fuller residential purchase process, refer to our Buyer's Guide. If you are also selling a home, use our Seller's Guide. If the move involves later-life planning, downsizing, family coordination, or related transition considerations, our Senior Moves Guide may also be helpful.

During the search

- Focus on your housing needs, budget, location criteria, property condition, and long-term plans.
- Tell your contracted real estate broker about accessibility, timing, commute, property-type, or other objective requirements that affect the search.
- For active-duty households, discuss PCS timing or other service-related logistics with the appropriate military, lender, legal, and real estate resources rather than assuming a standard timeline.

When you find a home

- Review comparable market information and property disclosures that are available.
- Discuss price, earnest money, financing, inspection, closing date, possession, requested credits, buyer-broker compensation where applicable, and other offer terms.
- Your contracted real estate broker can prepare and submit the buyer-executed contract to purchase and negotiate seller terms until agreement is reached and the contract is fully executed.
- Use legal counsel for legal advice and attorney-review matters where applicable.

A VA appraisal and a home inspection serve different purposes

The VA/lender appraisal supports the lending process and evaluates value and applicable VA property requirements. An independent home inspector evaluates the property's condition for the buyer. One does not replace the other.

6 | Disability-Related Housing Resources

Some Veterans and service members with certain service-connected disabilities may qualify for VA housing grants that can help buy, build, or modify a home for greater independence.

Specially Adapted Housing (SAH) and Special Home Adaptation (SHA)

These programs have specific disability, ownership, and use requirements. They are not automatic based solely on having a disability rating. Let VA determine whether your circumstances qualify.

Questions worth taking to VA

- Could I qualify for an SAH or SHA grant?
- Can the benefit be used with the type of home or modification I am considering?
- Should I apply before making an offer, before closing, or at another point in the process?
- What documentation and approvals are required?

Resourcefully enough - not Veteran Guide University

Our job here is to make you aware that the resource exists. VA is the source for eligibility, current grant limits, applications, and program rules.

Path to the source: VA.gov - Disability Housing Grants

7A | Buying a Home That May Need Adaptation

Some Veterans and service members with qualifying service-connected disabilities may have access to VA programs that can help buy, build, or modify a permanent home to better meet disability-related needs and support independent living.

What does adaptation or retrofitting mean?

In everyday terms, adapting or retrofitting a home means making physical changes that improve accessibility or make the home work better for the Veteran's needs. Depending on the individual and the program, examples can include ramps, widened doorways, accessible entrances, bathroom changes, or other approved modifications.

Why think about this before choosing the home?

- The layout and structure of a property may affect how practical an adaptation would be.
- The anticipated modifications, property condition, financing, timing, and applicable VA requirements may influence whether a particular home is a good practical fit.
- If accessibility is important to the purchase, raise the issue early with the appropriate VA program representative, lender, and qualified property professionals.

Know the concept - let VA determine the benefit

VA currently identifies Specially Adapted Housing (SAH) and Special Home Adaptation (SHA) grants for eligible Veterans and service members with certain service-connected disabilities. These benefits can, in qualifying circumstances, be used to buy, build, or change a permanent home. Eligibility is specific and is not automatic simply because a Veteran has a disability rating.

Path to the source

For current eligibility rules, allowable uses, application steps, and grant limits, use the U.S. Department of Veterans Affairs Disability Housing Grants resource:

VA.gov - Housing Assistance - Disability Housing Grants

Our lane:

We identify that the resource exists and explain why it may matter during a home search. VA determines program eligibility and benefit requirements; the lender determines financing; qualified professionals evaluate the property and proposed work.

7 | From Contract to Closing

Once the contract is fully executed, the transaction moves into coordinated due diligence. Your exact sequence depends on the contract, lender, attorney, property, municipality, and other transaction requirements.

- **Attorney / legal review:** consult your legal counsel for contract and legal matters.
- **Inspection:** complete inspections within contractual timeframes and address inspection matters with the appropriate professionals.
- **Appraisal:** cooperate with lender and VA appraisal requirements; remember the appraiser is independent and is not your home inspector.
- **Insurance:** contact your homeowners insurance provider after appraisal-related steps as appropriate to discuss and obtain required coverage.
- **Title and municipal matters:** follow title, survey, transfer, municipal inspection, repair, escrow, or other requirements that apply to the property and transaction.
- **Final walk-through:** verify the property's agreed condition before closing.
- **Closing funds:** confirm how funds must be delivered. If wiring funds, independently verify wire instructions using a trusted contact method before sending money.
- **Identification and spouse:** follow your attorney/title company's instructions regarding required identification, signatures, marital/homestead matters, and who must attend or sign.
- **Utilities:** arrange transfer of applicable utilities according to the closing/possession instructions.

8 | Your Homebuying Team

A strong transaction does not require one person to know everything. It requires the right professionals staying in their lanes and communicating.

- **Veteran / Service Member:** makes the decisions and remains at the center of the process.
- **Contracted Real Estate Broker:** provides licensed real estate representation, market guidance, offer preparation, negotiation, and transaction coordination.
- **VA-approved / participating Lender:** explains financing, underwriting, COE/entitlement considerations, loan costs, and lender requirements.
- **Attorney:** provides legal advice and handles legal matters within the transaction.
- **Home Inspector:** independently evaluates visible property systems and conditions within the scope of the inspection.
- **Appraiser:** independently develops an opinion of value for the lending process and addresses applicable appraisal requirements; the appraisal is not a home inspection.
- **Insurance Professional:** evaluates coverage availability, costs, and insurance requirements.
- **Title / Closing Professionals:** coordinate title and closing functions according to the transaction.
- **County / Government Benefit Administrators:** determine eligibility and administer property-tax exemptions and other government benefits.

One question can have more than one lane

For example, a disability-related property-tax exemption may involve the county assessment office for eligibility and administration, while your lender explains how the expected taxes are treated in mortgage qualification. We help you recognize who should answer what.

9 | Official Resource Path

Start with authoritative sources for the specific question you are trying to answer. Program rules, forms, limits, and eligibility requirements can change, so verify current information before acting.

VA - Purchase Loan Information

Understand the VA-backed purchase-loan benefit and general purchase-loan requirements.

www.va.gov/housing-assistance/home-loans/loan-types/purchase-loan/

VA - Certificate of Eligibility (COE)

Learn how VA establishes home-loan eligibility and what service documentation may be required.

www.va.gov/housing-assistance/home-loans/how-to-request-coe/

National Archives - Military Service Records / DD214

Request official military service records when needed.

www.archives.gov/veterans/military-service-records

VA - Disability Housing Grants

Review current SAH/SHA eligibility and adaptation-grant information.

www.va.gov/housing-assistance/disability-housing-grants/

Illinois Department of Revenue - Property Tax Relief

Review Illinois homestead-exemption rules; apply through the appropriate county assessment office.

tax.illinois.gov/localgovernments/property/taxrelief.html

Additional Thinking About A Home? guides

Buying: use the Buyer's Guide for the complete residential purchase journey. Selling: use the Seller's Guide for the selling process. Later-life transition: use the Senior Moves Guide for additional planning considerations. This Veteran Guide intentionally does not repeat those guides.

10 | Ready When You Are

You do not have to know every benefit, form, loan rule, or real estate term before beginning. Start with your situation. Ask the right questions. Verify what matters with the source. Then make the decision that fits you.

A simple starting conversation

We can begin with where you are today: your housing goal, general timing, whether you have spoken with a lender, and what you would like to understand before taking another step. No pressure to be further along than you are.



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Equal Housing Opportunity

This guide is for general educational purposes and is not legal, tax, lending, appraisal, title, inspection, engineering, insurance, military-benefits, or municipal advice. Requirements, eligibility, programs, and transaction terms vary. Consult the appropriate qualified professional or government agency for advice and determinations within that professional's or agency's field.

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