

VA Assumable Loans

A Powerful Guide for Military Buyers Relocating to Hawaii

What is a VA Assumption?

A VA loan assumption allows a buyer to take over the Seller's existing VA loan, including their remaining loan balance, interest rate, and loan terms. This lets you step into their rates locked in years ago at **2% or 3%**.

Why VA Assumptions are so valuable

Monthly Payment Scenario of a \$500,000 Home	VA Assumption	New VA Loan (100% Financing)	Monthly Payment Scenario of a \$1,200,000 Home	VA Assumption	New VA Loan (100% Financing)
Home Price	\$500,000	\$500,000	Home Price	\$1,200,000	\$1,200,000
Loan Amount	\$400,000	\$511,250 *Including Funding Fee	Loan Amount	\$900,000	\$1,227,600 *Including Funding Fee
Cash Required (GAP)	\$100,000	\$0 Down	Cash Required (GAP)	\$300,000	\$0 Down
Interest Rate	2.5%	~6.0%	Interest Rate	2.5%	~6.0%
Monthly Payment (P&I)	~\$1,580	~\$3,060	Monthly Payment (P&I)	~\$3,555	~\$7,360
Save around \$1,480/month			Save around \$3,805/month		

The GAP Requirement

The GAP is the cash difference between what the home costs and how much of the Seller's VA loan is left. When you assume the loan, you cover the gap upfront.

$$\text{GAP} = \text{Purchase Price} - \text{Seller's VA Loan Balance}$$

Lengthy Approval Process

VA assumptions take longer because the lender must fully review the seller's existing loan and re-approve the buyer under VA guidelines before transferring the loan.

Pros VS Cons

- Get the Seller's low rate
- Keep their loan terms
- Lower monthly payment
- More buying power
- No appraisal needed
- No Private Mortgage Insurance

- Slow approval process
- Must pay the GAP in cash
- Harder to layer secondary financing
- VA entitlement may remain tied up.

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The Perks to living in Paradise



Tax Benefits

- Fully exempt from Hawaii State Income Tax on Military Pension.
- VA Disability Benefits & SBP Payments are tax-exempt.
- Significant Property Tax Exemptions for 100% Disabled Veterans.

*Tax benefits vary by county and individual eligibility. Consult a tax professional for specific guidance.

Multiple Major Military Installations on O'ahu

For Veterans, this means:

- A strong sense of community.
- Easier access to military services.
- More job opportunities tied to federal and DoD operations.
- A large network of fellow veterans and active-duty families.



VA & Military Healthcare

O'ahu has one of the strongest clusters of military and VA healthcare facilities in the Pacific with access to specialty care on island and through coordinated travel when needed.

Access to Commissaries, Exchanges, & Base Services

For retirees and disabled veterans with base access, these benefits stretch your budget and create a familiar support structure close to home.

Education Opportunities

Hawaii has notable pathways designed specially for veterans:

- UH System Accepts GI Bill
- Community Colleges Provide Trades and Transition Program
- VR&E Services Available

Employment Opportunities

- Abundant DoD & Federal Roles
- Major Defense Contractors have a strong presence.
- Local Employers actively recruit veterans for leadership and operation roles.

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Key Installations

- Joint Base Pearl Harbor-Hickam (Navy/Airforce)
- Marine Corps Base Hawai'i (Kaneohe Bay)
- Schofield Barracks (Army)
- Tripler Army Medical Center
- Fort Shafter / Fort Shafter Flats
- Wheeler Army Airfield
- U.S. Coast Guard Base Honolulu
- Coast Guard Air Station Barbers Point

Key Medical Facilities

- VA Pacific Islands Health Care System
- Tripler Army Medical Center
- CBOC Centers (Primary & Mental Health Services)
- Sparks Matsunaga VA Medical Center
- Daniel K. Akaka VA Clinic

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Community Support

With so many service members and retirees living on O'ahu, the island naturally fosters a strong sense of camaraderie. Veterans will find support through nonprofits, mentorship programs, and local organizations.

Local Military Discounts

Many Hawaii businesses offer Veteran and military discounts.

- Retail
- Restaurants
- Surf Shops
- Hotels & Car Rentals
- Entertainment & Fitness

Quality of Life Unique to Hawaii

Hawaii lifestyle may be the greatest reward. Veterans appreciate:

- Year-round warm weather that's easy on the body - especially for vets with joint issues.
- Access to beaches, hiking trails, and outdoor recreation that supports overall wellness.
- A culture rooted in respect, community and aloha.
- A slower pace of life that many veterans find grounding after years of high-tempo service.

Reach out for a personalized VA Assumption breakdown



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