

## Merchants Home Lending Launches Comprehensive Guide to VA Construction Loans in California (2025)



**San Diego, California Jan 3, 2026 ([IssueWire.com](https://www.issuewire.com))** - For many veterans and service members, the dream of building a home in California can feel out of reach in one of the nation's most competitive housing markets. Merchants Home Lending is proud to announce the release of its Ultimate Guide to VA Construction Loans in California, designed to help military families navigate the financing process with clarity and confidence.

"California veterans deserve every opportunity to turn their homeownership dreams into reality," said Bill Marshall, Senior Loan Specialist at Merchants Home Lending. "Our guide highlights not only the benefits of VA construction loans but also the exact steps needed to make the process seamless."

### What Makes VA Construction Loans Different

VA construction loans, backed by the U.S. Department of Veterans Affairs, allow eligible veterans, active-duty service members, and surviving spouses to finance both land and new home construction in one package. Unlike traditional construction financing, these loans often provide:

- Zero down payment

- Lower interest rates
- No private mortgage insurance (PMI)

These benefits are especially impactful in California, where high land and housing costs can create significant barriers for homebuyers.

## How the Loan Works

The one-time-close [VA construction loan](#) process simplifies the building journey:

- Prequalification with a VA-approved lender like Merchants Home Lending.
- Selection of a VA-registered builder.
- Submission of blueprints and project costs for VA approval.
- Loan closing before construction begins, with funds released in stages.
- Automatic conversion to a permanent VA mortgage once the home is complete.

“This structure saves our clients money while ensuring they never face the uncertainty of refinancing once construction is finished,” Marshall added.

## Meeting California-Specific Requirements

To qualify for a VA construction loan in California, borrowers must meet VA eligibility standards such as a valid Certificate of Eligibility (COE), stable income, and a minimum credit score (typically 620+). The property must be a single-family dwelling built by a VA-approved builder within 12 months of loan closing.

Merchants Home Lending assists clients by connecting them to licensed, insured builders registered with the VA—streamlining what can otherwise be a challenging process.

## Tools for Veterans: VA Loan Calculator

Merchants Home Lending also offers a **VA Construction Loan Calculator** tailored for California borrowers. This tool provides a clear breakdown of loan amount, interest rate, term, and estimated monthly payments, including property tax and homeowner’s insurance projections.

## California VA Construction Loan Rates

As of **June 2025**, VA loan rates remain competitive:

- **30-Year Fixed VA Loan:** 5.25% – 5.75%
- **15-Year Fixed VA Loan:** 4.85% – 5.40%
- **One-Time Close Construction Loan:** 5.50% – 6.25%

Rates are subject to change, but Merchants Home Lending provides fast, personalized quotes for each borrower.

## Why Choose Merchants Home Lending

With deep expertise in California’s real estate and lending environment, Merchants Home Lending distinguishes itself by offering:

- **Dedicated VA loan specialists**
- **Fast preapprovals**
- **In-house underwriting**
- **A statewide network of VA-approved builders**

“Our commitment goes beyond lending,” said Marshall. “We’re here to walk California’s veterans through every step—from land purchase to final inspection—ensuring the process is smooth, transparent, and supportive.”

## Start Building Today

For veterans ready to begin their homebuilding journey, the VA construction loan program opens the door to affordable, customized homeownership in California. Merchants Home Lending invites eligible service members, veterans, and surviving spouses to connect with its VA loan specialists for guidance, prequalification, and builder referrals.

## FAQs

- **How does the VA construction loan work in California?**

It allows eligible veterans to finance both land and construction in one loan, with zero down payment and lower rates.

- **What is the VA construction loan limit in California?**

While the VA does not impose strict limits, loan amounts depend on income and appraised value. In high-cost areas like Los Angeles or San Francisco, approvals can exceed \$1 million.

- **How to build a home with a VA loan?**

Preapproval, builder selection, blueprint submission, staged funding during construction, and conversion to a permanent VA mortgage once complete.

- **What is the VA construction loan process?**

Preapproval → Builder & land selection → VA appraisal → Loan closing → Construction phase → Final inspection → Conversion to permanent loan.

### **About Merchants Home Lending**

Merchants Home Lending is a VA-approved lender committed to serving veterans, active-duty military, and their families. With specialized expertise in California's housing market, the company provides personalized loan solutions that honor the service of those who've served our country.

For more information, visit [www.merchantshomelending.com](http://www.merchantshomelending.com) or call **(800) 123-4567** to speak with a VA loan specialist.

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