

# Government Loan Programs – Quick Facts for Real Estate Professionals

This comprehensive guide provides licensed Realtors with essential information about government-backed loan programs, enabling you to effectively guide clients and navigate transactions with confidence. This table serves as a quick-reference for key program details.

Product	FHA	VA	USDA
<b>Target Buyers</b>	First-time homebuyers, buyers with lower credit scores, or those with limited down payment funds. Primarily for single-family residences.	Eligible U.S. veterans, service members, and surviving spouses. Aimed at helping them purchase homes with favorable terms.	Low-to-moderate income individuals purchasing homes in eligible rural areas. Promotes homeownership in less dense communities.
<b>Down Payment</b>	As low as 3.5% of the purchase price.	No down payment typically required (100% financing).	No down payment typically required (100% financing).
<b>Credit Score Requirements</b>	Lower scores accepted (e.g., 580 for 3.5% down, 500-579 with 10% down). Lender overlays may require higher scores.	No minimum credit score set by VA, but lenders usually require 620+.	No minimum credit score set by USDA, but lenders typically require 640+.
<b>Key Benefits</b>	<ul style="list-style-type: none"> <li>• Low down payment</li> <li>• Lenient credit requirements</li> <li>• Assumable loans</li> <li>• Fixed and adjustable rates</li> </ul>	<ul style="list-style-type: none"> <li>• No down payment</li> <li>• No private mortgage insurance (PMI)</li> <li>• Competitive interest rates</li> <li>• Limited closing costs</li> </ul>	<ul style="list-style-type: none"> <li>• No down payment</li> <li>• Low monthly mortgage insurance</li> <li>• Competitive interest rates</li> <li>• Income limits prevent over-qualification</li> </ul>
<b>Property Requirements</b>	Must meet FHA appraisal guidelines (safety, soundness, security). Primarily for primary residences.	Must meet VA Minimum Property Requirements (MPRs). Primarily for primary residences.	Must be located in an eligible rural area and meet USDA safety standards. Primarily for primary residences.
<b>Who Qualifies</b>	Anyone meeting credit, income, and debt-to-income (DTI) requirements. Must occupy the home as a primary residence.	Veterans, active-duty service members, and eligible surviving spouses with a Certificate of Eligibility (COE).	Individuals or families whose adjusted gross income does not exceed 115% of the area median income.
<b>Typical Timeline</b>	Similar to conventional loans, 30-45 days, but can be longer due to specific FHA appraisal requirements.	Can be slightly longer than conventional due to VA appraisal and COE process, typically 30-60 days.	Often has a longer timeline (45-60+ days) due to a two-step approval process (lender and USDA agency).

# Quick Reference Guide for Realtors

Here's a comparison of common government-backed and conventional loan programs to help you advise your clients.

FHA	3.5%	580	Primary residence, HUD standards	Moderate
VA	0%	620	Primary residence, VA standards	Moderate
USDA	0%	640	Rural areas, income limits	Longer
Conventional	3-5%	620-640	Fewer restrictions, higher down for investment	Shorter

## Common Buyer Questions

### Can I get a loan with low credit?

FHA and VA loans often have lower minimum credit score requirements compared to conventional options.

### Do I need a large down payment?

VA and USDA loans can offer 0% down, while FHA loans require as little as 3.5%.

### Are these only for first-time buyers?

No, many programs are available to repeat homebuyers, though some like FHA are popular for first-timers.

### Are there property restrictions?

Government-backed loans often have specific property standards and location requirements (e.g., USDA rural areas).

This guide provides general information and is not a substitute for professional financial or legal advice.



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