

LOAN PROGRAMS – USDA

FREQUENTLY ASKED QUESTIONS



Q: Is it possible to make too much money for a USDA loan?

A: Yes, it can be a possibility that a borrower will not qualify for a USDA loan due to exceeding the income allowed for the program. The income limitations are set by county. By providing accurate income details to your Loan Officer, this is something they will check for as they figure out what program works best for you.

Q: I heard that I could include closing costs into the loan amount for USDA loans. Is this accurate?

A: Yes, but...only if the home appraises for more than the purchase price. USDA allows us to cap the loan amount out at the appraised value. If the home does not appraise for more than the purchase price, the closing costs must be paid by the borrower or seller at closing.

Q: What makes USDA loans so appealing?

A: With a USDA loan, 100% of the purchase price can be financed. In other words, no down payment is needed for this loan!

Q: Can I use a USDA loan in metro areas?

A: Usually not. USDA lending is limited to rural type areas. Cities with populations over 20,000 – 35,000 are generally not in the USDA lending area. When shopping for a home and using the USDA program, check with your Loan Officer to confirm you are looking in eligible USDA areas.