

Advancing Fundamental Financial Knowledge



**Ashley
Hurtado**

Section 184 & USDA Loans



USDA

Topics Covered

What is a USDA loan


Who is eligible for this loan program.

Pros of the program

Fact or Fiction



Guardian Mortgage

The background is a solid light green color. It features several large, overlapping, organic shapes in a slightly darker shade of green. These shapes are positioned in the corners and along the right side, creating a layered, landscape-like effect. A thin, dark green curved line starts near the top center and arcs towards the right side, passing behind the darker green shapes.

What is a USDA Loan?

Also known as the Section 502 Direct Loan Program, this program assists low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability.

Who is Eligible?

Borrowers who household income is under 115% AMI and are buying a home in a rural location are eligible

Pros of a USDA loan

Flexible terms

100% financing

LTVs up to 102.75

Can be paired with other
down payment assistance programs

580min. Fico

Can be used for Purchases and rate
and term refis

Low Mortgage insurance

Annual Mortgage insurance 0.35%

Low guarantee fee

1% up-front guarantee fee paid at
closing OR Financed into the loan

Fact or Fiction

USDA

USDA loans are only available to
first time homebuyers

Fiction!

USDA loans are available to any buyer that meets
the Household income limits, property location
other guidelines set forth by USDA.

USDA loans are the best loans for a
rural property.

Fiction!

USDA is a great program to use but might not be
the best program for every borrower.

USDA loans are only available if you
are purchasing as a primacy
residence.

Fact!

USDA loans are only for primary residences.