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| **Government Backed Zero Down Payment Loans**    The RHS (Rural Housing Service) "Guaranteed Loan Program" is an agency that is part of the USDA. The RHS offers several programs. Some of the programs that are designed for lower income borrowers are administered directly by the regional offices of the Rural Housing Service.  The RHS is known to some in the business by the old name which is "Farmer's Home Administration" (FMHA).  The RHS has a program known as The Section #502 program. This program is directed at moderate income borrowers and is administered like no other loan program in America.  The #502 program allows 100% financing and in some cases, even allows loans for more than 100% of the purchase price where the appraisal is higher than the sale price and the extra loan proceeds are applied toward closing costs.  The income limits in the #502 program are based on 115% of median income in the MSA or Metropolitan Statistical Area in which the home is located. |