2021 Loan Type Survey
National Association of REALTORS®
Research Group
Methodology

Sample
The survey was delivered to a sample of 51,565 members. The survey had 3,530 useable responses. The response rate was 6.85 percent. Results are only among those who had a client who did use a FHA, VA, or USDA Loan in the last six months.

Dates
The survey was deployed on April 13th and closed on April 26th.

The margin of error for overall results is +/-1.65 percent. This response rate is high enough and the margin of error is low enough that the results can be considered quantitative and reflective of all members within this margin of error.
Buyer Side Perspective

Have you had a buyer client in the last 6 months who has used or attempted to use any of these loan products?

- **FHA Loan**: 53%
- **VA Loan**: 33%
- **USDA Loan**: 15%
- **None of these**: 40%

### Loan Type Survey by Area

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rural Area</th>
<th>Small Town</th>
<th>Suburban Area</th>
<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHA Loan</td>
<td>51%</td>
<td>49%</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>VA Loan</td>
<td>33%</td>
<td>36%</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>26%</td>
<td>26%</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>None of these</td>
<td>43%</td>
<td>42%</td>
<td>49%</td>
<td>52%</td>
</tr>
</tbody>
</table>
Buyer Side Perspective

When you had a client who used one of these loan products what was the result?

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rural Area</th>
<th>Small Town</th>
<th>Suburban Area</th>
<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Financing</td>
<td>89%</td>
<td>89%</td>
<td>91%</td>
<td>90%</td>
</tr>
<tr>
<td>FHA Loan</td>
<td>67%</td>
<td>76%</td>
<td>71%</td>
<td>65%</td>
</tr>
<tr>
<td>VA Loan</td>
<td>54%</td>
<td>67%</td>
<td>61%</td>
<td>50%</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>40%</td>
<td>46%</td>
<td>26%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Share Successfully Used:

- Yes, successfully used, contract accepted
- Yes, tried to use and changed loan in the process
- No, have not had a client using
- Don’t know
## Buyer Side Perspective

When a buyer used these loans how were contracts received by sellers and the seller's agent?

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rural Area</th>
<th>Small Town</th>
<th>Suburban Area</th>
<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Financing</td>
<td>63%</td>
<td>56%</td>
<td>61%</td>
<td>56%</td>
</tr>
<tr>
<td>FHA Loan</td>
<td>23</td>
<td>25</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>VA Loan</td>
<td>22</td>
<td>24</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>10</td>
<td>20</td>
<td>11</td>
<td>6</td>
</tr>
</tbody>
</table>

- Contracts are accepted w/no issue w/this loan product
- Some contracts accepted, it depends on the offer overall
- Not accepted in this market, perhaps w/less competition
- Not accepted at all, regardless of the competition from other buyers
- Never had a client use this loan
Buyer Side Perspective

If a buyer is using this loan, do you encourage them to use a different loan product?

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Rural Area</th>
<th>Small Town</th>
<th>Suburban Area</th>
<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHA Loan</td>
<td>23%</td>
<td>17%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>VA Loan</td>
<td>9</td>
<td>14</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>16</td>
<td>13</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

Yes, encourage a different product:
Buyer Side Perspective

Think of a recent client using one of these loan products (VA, FHA, USDA), what were the reasons these buyers' offers were rejected? (Select all that apply) *(All Areas)*

<table>
<thead>
<tr>
<th>Reason</th>
<th>Conventional Financing</th>
<th>FHA Loan</th>
<th>VA Loan</th>
<th>USDA Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not applicable, offers are accepted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offer was too low compared to other offers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other buyers had non-contingent offers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Another buyer made a cash offer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home appraisal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low downpayment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not applicable, didn't have a client use this loan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low earnest fund amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longer time to close</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stricter home inspection requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buyer was not yet pre-qualified</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seller decided not to sell</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Think of a recent client using one of these loan products (VA, FHA, USDA), what were the reasons these buyers' offers were rejected? (Select all that apply) **(Rural Area)**

- Not applicable, offers are accepted: 53%
- Offer was too low compared to other offers: 11%
- Other buyers had non-contingent offers: 22%
- Another buyer made a cash offer: 17%
- Home appraisal: 22%
- Low downpayment: 13%
- Not applicable, didn't have a client use this loan: 30%
- Low earnest fund amount: 7%
- Longer time to close: 22%
- Stricter home inspection requirements: 39%
- Buyer was not yet pre-qualified: 3%
- Seller decided not to sell: 1%
Buyer Side Perspective

Think of a recent client using one of these loan products (VA, FHA, USDA), what were the reasons these buyers' offers were rejected? (Select all that apply) **(Small Town)**

- Not applicable, offers are accepted: 47%
- Offer was too low compared to other offers: 23%
- Other buyers had non-contingent offers: 31%
- Another buyer made a cash offer: 21%
- Home appraisal: 23%
- Low downpayment: 22%
- Not applicable, didn't have a client use this loan: 29%
- Low earnest fund amount: 17%
- Longer time to close: 22%
- Stricter home inspection requirements: 38%
- Buyer was not yet pre-qualified: 0%
- Seller decided not to sell: 0%

- Conventional Financing
- FHA Loan
- VA Loan
- USDA Loan

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Buyer Side Perspective

Think of a recent client using one of these loan products (VA, FHA, USDA), what were the reasons these buyers' offers were rejected? (Select all that apply) *(Suburban Area)*

- Not applicable, offers are accepted
- Offer was too low compared to other offers
- Other buyers had non-contingent offers
- Another buyer made a cash offer
- Home appraisal
- Low downpayment
- Not applicable, didn't have a client use this loan
- Low earnest fund amount
- Longer time to close
- Stricter home inspection requirements
- Buyer was not yet pre-qualified
- Seller decided not to sell

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Buyer Side Perspective

Think of a recent client using one of these loan products (VA, FHA, USDA), what were the reasons these buyers' offers were rejected? (Select all that apply) (Urban Area)

- Not applicable, offers are accepted: Conventional Financing: 46%, FHA Loan: 15%, VA Loan: 17%, USDA Loan: 12%
- Offer was too low compared to other offers: Conventional Financing: 30%, FHA Loan: 28%, VA Loan: 15%, USDA Loan: 6%
- Other buyers had non-contingent offers: Conventional Financing: 30%, FHA Loan: 21%, VA Loan: 18%, USDA Loan: 5%
- Another buyer made a cash offer: Conventional Financing: 23%, FHA Loan: 17%, VA Loan: 13%, USDA Loan: 6%
- Home appraisal: Conventional Financing: 27%, FHA Loan: 27%, VA Loan: 9%, USDA Loan: 6%
- Low downpayment: Conventional Financing: 22%, FHA Loan: 22%, VA Loan: 7%, USDA Loan: 5%
- Not applicable, didn't have a client use this loan: Conventional Financing: 62%, FHA Loan: 25%, VA Loan: 6%, USDA Loan: 4%
- Low earnest fund amount: Conventional Financing: 10%, FHA Loan: 7%, VA Loan: 2%, USDA Loan: 2%
- Longer time to close: Conventional Financing: 18%, FHA Loan: 16%, VA Loan: 8%, USDA Loan: 2%
- Stricter home inspection requirements: Conventional Financing: 37%, FHA Loan: 32%, VA Loan: 8%, USDA Loan: 1%
- Buyer was not yet pre-qualified: Conventional Financing: 0%, FHA Loan: 0%, VA Loan: 0%, USDA Loan: 2%
- Seller decided not to sell: Conventional Financing: 1%, FHA Loan: 0%, VA Loan: 0%, USDA Loan: 1%

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Seller Side Perspective

On a scale of 1 through 5, what is the likelihood sellers would accept an offer from buyers with these types of loans?

<table>
<thead>
<tr>
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<th>Small Town</th>
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<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>90%</td>
<td>84%</td>
<td>91%</td>
<td>88%</td>
</tr>
<tr>
<td>FHA Loan</td>
<td>32</td>
<td>39</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>VA Loan</td>
<td>34</td>
<td>32</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>26</td>
<td>27</td>
<td>17</td>
<td>14</td>
</tr>
</tbody>
</table>

Ranked as 5-Definitely and 4:
Seller Side Perspective

What aspects are making these types of loans less attractive than conventional financing? (All Areas)

- Stricter home inspection requirements
  - Conventional Financing: 2%
  - FHA Loan: 36%
  - VA Loan: 36%
  - USDA Loan: 59%

- Home appraisal contingency
  - Conventional Financing: 16%
  - FHA Loan: 46%
  - VA Loan: 41%
  - USDA Loan: 27%

- Home does not appraise
  - Conventional Financing: 14%
  - FHA Loan: 37%
  - VA Loan: 36%
  - USDA Loan: 25%

- Low downpayment
  - Conventional Financing: 5%
  - FHA Loan: 35%
  - VA Loan: 32%
  - USDA Loan: 28%

- Longer time to close
  - Conventional Financing: 5%
  - FHA Loan: 35%
  - VA Loan: 38%
  - USDA Loan: 40%

- Small amount of earnest funds
  - Conventional Financing: 4%
  - FHA Loan: 21%
  - VA Loan: 21%
  - USDA Loan: 18%

- None of these
  - Conventional Financing: 70%
  - FHA Loan: 12%
  - VA Loan: 30%
  - USDA Loan: 9%
Seller Side Perspective
What aspects are making these types of loans less attractive than conventional financing? (Rural Areas)

- Stricter home inspection requirements:
  - Conventional Financing: 2%
  - FHA Loan: 67%
  - VA Loan: 67%
  - USDA Loan: 49%

- Home appraisal contingency:
  - Conventional Financing: 15%
  - FHA Loan: 30%
  - VA Loan: 27%
  - USDA Loan: 23%

- Home does not appraise:
  - Conventional Financing: 16%
  - FHA Loan: 28%
  - VA Loan: 28%
  - USDA Loan: 23%

- Low downpayment:
  - Conventional Financing: 2%
  - FHA Loan: 22%
  - VA Loan: 27%
  - USDA Loan: 27%

- Longer time to close:
  - Conventional Financing: 6%
  - FHA Loan: 43%
  - VA Loan: 49%
  - USDA Loan: 41%

- Small amount of earnest funds:
  - Conventional Financing: 4%
  - FHA Loan: 19%
  - VA Loan: 13%
  - USDA Loan: 22%

- None of these:
  - Conventional Financing: 68%
  - FHA Loan: 7%
  - VA Loan: 8%
  - USDA Loan: 18%

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Seller Side Perspective

What aspects are making these types of loans less attractive than conventional financing? (Small Towns)

- Stricter home inspection requirements
  - Conventional Financing: 5%
  - FHA Loan: 19%
  - VA Loan: 32%
  - USDA Loan: 45%
  - Overall average: 62%

- Home appraisal contingency
  - Conventional Financing: 19%
  - FHA Loan: 39%
  - VA Loan: 32%
  - USDA Loan: 41%
  - Overall average: 39%

- Home does not appraise
  - Conventional Financing: 13%
  - FHA Loan: 28%
  - VA Loan: 25%
  - USDA Loan: 33%
  - Overall average: 28%

- Low downpayment
  - Conventional Financing: 4%
  - FHA Loan: 25%
  - VA Loan: 28%
  - USDA Loan: 25%
  - Overall average: 25%

- Longer time to close
  - Conventional Financing: 6%
  - FHA Loan: 35%
  - VA Loan: 35%
  - USDA Loan: 43%
  - Overall average: 35%

- Small amount of earnest funds
  - Conventional Financing: 3%
  - FHA Loan: 17%
  - VA Loan: 19%
  - USDA Loan: 21%
  - Overall average: 17%

- None of these
  - Conventional Financing: 71%
  - FHA Loan: 12%
  - VA Loan: 19%
  - USDA Loan: 19%
  - Overall average: 12%

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Seller Side Perspective

What aspects are making these types of loans less attractive than conventional financing? (Suburban Area)

- Stricter home inspection requirements: Conventional Financing 61%, FHA Loan 55%, VA Loan 52%, USDA Loan 32%
- Home appraisal contingency: Conventional Financing 50%, FHA Loan 46%, VA Loan 40%, USDA Loan 30%
- Home does not appraise: Conventional Financing 43%, FHA Loan 40%, VA Loan 37%, USDA Loan 27%
- Low downpayment: Conventional Financing 37%, FHA Loan 33%, VA Loan 33%, USDA Loan 16%
- Longer time to close: Conventional Financing 42%, FHA Loan 39%, VA Loan 34%, USDA Loan 30%
- Small amount of earnest funds: Conventional Financing 24%, FHA Loan 23%, VA Loan 17%, USDA Loan 11%
- None of these: Conventional Financing 8%, FHA Loan 11%, VA Loan 32%, USDA Loan 32%

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Seller Side Perspective
What aspects are making these types of loans less attractive than conventional financing? (Urban Area)

- Stricter home inspection requirements
- Home appraisal contingency
- Home does not appraise
- Low downpayment
- Longer time to close
- Small amount of earnest funds
- None of these

Conventional Financing
FHA Loan
VA Loan
USDA Loan

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In ranking these loans, which is a seller client most likely to accept? From 1 being the most likely.

**Ranked 1 (most likely):**

<table>
<thead>
<tr>
<th></th>
<th>Rural Area</th>
<th>Small Town</th>
<th>Suburban Area</th>
<th>Urban Area/Central City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Financing</td>
<td>94%</td>
<td>95%</td>
<td>96%</td>
<td>91%</td>
</tr>
<tr>
<td>FHA Loan</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>VA Loan</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>USDA Loan</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**April 2021 Loan Type Survey**

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NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP

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