

# Storyboard

**Topic:** Government Backed Loans

**Delivery Method:** eLearning Storyline Course

**Learning Objectives:**

- Identify the three government backed loans that we service and its government entity
- Distinguish the difference between a government loan and a conventional loan
- Describe the requirements for eligibility
- Identify the pros and cons of each loan type


**Slide 01- Title**

Text/Audio Narration	On-Screen Graphic & Text
	Image: Government building stock photo. Text: Mortgage types: Introduction to Government Loans
<b>Technical Notes</b> Animate title. Slide in from left. Adjust timeline for text to appear after shape animation has stopped.	

**Slide 02- Objectives**

Text/Audio Narration	On-Screen Graphic & Text
No narration	Objectives: <ul style="list-style-type: none"><li>• Upon completion of this module, learners will be able to:</li><li>• Identify the three government backed loans that we service and its government entity</li><li>• Distinguish the difference between a government loan and a conventional loan</li><li>• Describe the requirements for eligibility</li><li>• Identify the pros and cons of each loan type</li></ul>
<b>Technical Notes</b> Animate title. Slide in from left. Adjust timeline for text to appear after shape animation has stopped.	

**Slide 03- Introduction**

Text/ Audio Narration	On-Screen Graphic & Text
<p>A government-backed mortgage is a loan insured by one of three federal government agencies: the Federal Housing Administration (FHA), the U.S. Department of Agriculture (USDA) or the Department of Veterans Affairs (VA).</p> <p>This module will cover the three type of government backed loans that we service. These are: VA Loans, FHA Loans and USDA Loans. We will cover an overview of each loan, eligibility/requirements, the pros &amp; cons and how they differ from a conventional loan.</p>	<p>Types of loans that we service:</p> <div> <div> VA Loans  FHA Loans  USDA Loans </div>  <div> Overview  Eligibility/requirements  Benefits  Difference from conventional loans </div> </div> <p>Graphic: Stock image of homebuyers</p>
<b>Technical Notes</b> Add animation of topics to be covered (i.e. overview, eligibility..etc..) from each loan to the topics covered. Animate	

#### Slide 04- Government Loan vs Conventional

Text/ Audio Narration	On-Screen Graphic & Text										
<p>Government backed loans are different than conventional loans, which are the most popular type of loans, in different ways. Conventional loans are not backed by government agencies, which makes them riskier and this means eligibility requirements are stricter.</p> <p>Because they are backed by government agencies, government backed loans tend to have certain requirements that are not seen in conventional loans. Review the following table to see some of the difference between conventional and government backed loans.</p>	<p>Table:</p> <table border="1"> <thead> <tr> <th>Conventional</th><th>Government</th></tr> </thead> <tbody> <tr> <td>Not backed by a government agency, therefore riskier</td><td>Backed by government agency</td></tr> <tr> <td>Established/higher credit and lower debt</td><td>Flexible credit thresholds and debt ratios</td></tr> <tr> <td>Higher down payment</td><td>Lower to no down payment</td></tr> <tr> <td>Can be used to finance a primary, 2<sup>nd</sup> home, or investment property</td><td>Can only be used to finance a primary residence</td></tr> </tbody> </table>	Conventional	Government	Not backed by a government agency, therefore riskier	Backed by government agency	Established/higher credit and lower debt	Flexible credit thresholds and debt ratios	Higher down payment	Lower to no down payment	Can be used to finance a primary, 2 <sup>nd</sup> home, or investment property	Can only be used to finance a primary residence
Conventional	Government										
Not backed by a government agency, therefore riskier	Backed by government agency										
Established/higher credit and lower debt	Flexible credit thresholds and debt ratios										
Higher down payment	Lower to no down payment										
Can be used to finance a primary, 2 <sup>nd</sup> home, or investment property	Can only be used to finance a primary residence										
<b>Technical Notes</b> Animate each table section to appear from top to bottom.											

#### Slide 05- VA Loans

Text/ Audio Narration	On-Screen Graphic & Text
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<p>VA Loans are backed by the Department of Veterans Affairs. Click each tab to see an overview eligibility requirements and pros &amp; cons of this loan type.</p>	<p>Tab interaction:</p> <div> <div>Overview</div> <div>Eligibility</div> <div>Pros &amp; Cons</div> </div> <p><u>Overview:</u> Backed by the Department of Veterans Affairs and created by the federal government to make homebuying easier for members who served the country.</p> <p><u>Eligibility:</u> The qualify the borrower must be one of the following:</p> <ul style="list-style-type: none"> <li>• Active-duty service member</li> <li>• Veteran/eligible spouse of a veteran</li> <li>• U.S. Citizen who served in the armed forces of a government allied with the U.S. during WWII</li> </ul> <p><u>Pros &amp; Cons:</u></p> <p><u>Pros</u>  0% Down for qualified borrowers  No private mortgage insurance  Competitive interest rates  Easier to qualify  Convenient refinancing options  Lower closing costs</p> <p><u>Cons</u>  There is a funding fee  Property restrictions  Can's be used for vacation/rental properties  Can't waive appraisal or inspections  Not desirable for sellers due to strict requirements</p> <p>Graphic: Overview: Veterans Affairs logo next to text.  Eligibility: Stock photo  Pros &amp; Cons: Stock photo</p>
<p><b>Technical Notes</b> Each tab is a layer. Set triggers for navigation.</p>	

## Slide 06- FHA Loan

Text/ Audio Narration	On-Screen Graphic & Text
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FHA Loans are backed by the Federal Housing Administration. Click each tab to see an overview eligibility requirements and pros & cons of this loan type.

Tab interaction:

Overview

Eligibility

Pros & Cons

Overview: Backed by the Federal Housing Administration (FHA) and designed for prospective homeowners who may have lower than average credit scores and don't have the funds for a big down payment.

Eligibility: To qualify for this type of loan, the borrower must:

- Have a credit score of 500 or higher (down payment for less than 500 is 10% and 580 and over is 3.5%)
- Have verified employment for the last 2 years
- Using the loan for a primary residence
- Have a back-end debt to income ratio of no more than 43% of income
- Have a front-end debt to income ration of no more than 31%

Pros & Cons:

Pros

Require a low down payment

Can be approved with a lower credit score

No income limitations

Accepts a higher debt to income ratio

Can be approved for lower interest rates

Cons

Requires the payment of a mortgage insurance premium

Has a loan maximum

Has minimum property standards (excludes fixer uppers)

Could be less favorable for some sellers

Graphic: Overview: Federal Housing Admin. logo next to text.

Eligibility: Stock photo

Pros & Cons: Stock photo

### Technical Notes

Duplicate previous slide. Each tab is a layer. Set triggers for navigation.

## Slide 07- USDA Loan

Text/ Audio Narration	On-Screen Graphic & Text
<p>The last government backed loan that we service is the USDA loan, which is backed by the U.S. Department of Agriculture. Click each tab to see an overview eligibility requirements and pros &amp; cons of this loan type.</p>	<p>Tab interaction:</p> <div data-bbox="1108 245 1803 305"><div>Overview</div><div>Eligibility</div><div>Pros &amp; Cons</div></div> <p><u>Overview:</u> USDA loans are backed by the <b>U.S. Department of Agriculture</b> and are intended to help people living in low- to moderate-income households put down roots in certain rural and suburban locations.</p> <p><u>Eligibility:</u> To qualify for this type of loan, the borrower must:</p> <ul style="list-style-type: none"><li>• Be seeking financing for a property in an eligible rural area and as a primary residence</li><li>• Have stable income equal or less than 115% of the home area's median income</li><li>• Have a minimum credit score of 640</li></ul> <p><u>Pros &amp; Cons:</u></p> <p><u>Pros</u></p> <p>No down payment options No cash reserves required Low fixed interest rate Can finance repairs and closing costs into loans Can be used to build a home</p> <p><u>Cons</u></p> <p>Geographic restrictions Must pay mortgage insurance premiums Has income limits</p> <p>Graphic: Overview: USDA logo next to text. Eligibility: Stock photo Pros &amp; Cons: Stock photo</p>
<p><b>Technical Notes</b> Duplicate previous slide. Each tab is a layer. Set triggers for navigation.</p>	

## Slide 08- Conclusion

Text/Audio Narration	On-Screen Graphic & Text
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Government backed loans are a good alternative for borrowers that are not able to obtain a conventional loan. Though in some cases, such as the VA loan, it is not available to all borrowers, the FHA and USDA loans are also a great option for borrowers to get the financing that they need to become a homeowner.	3 logos on screen with loan names		
	VA Loan [Logo]	FHA Loan [Logo]	USDA Loan [Logo]
<b>Technical Notes</b> Fade in each loan name along with the logo, timed with the narration.			

### Slide 09- Test Your Knowledge

Text/Audio Narration	On-Screen Graphic & Text
Let's test your knowledge! Drag the loan type to its respective characteristic.	Drag and drop activity
<b>Technical Notes</b>	