



**U.S. Department of Veterans Affairs**  
Veterans Benefits Administration

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## **Farm Loans: VA Home Loans**

### **Overview**

The Department of Veterans Affairs' (VA) Home Loan benefit may be used to purchase a farm. There must be a farm residence on the land, and the Veteran must live in it as his or her primary residence. VA-guaranteed loans can only be used for residential purposes, and not to purchase a business. This means that some farm properties may not be eligible for purchase using a VA-backed home loan.

### **General Guidance**

Loans for farm dwellings are appraised the same way as for nonfarm-type dwellings:

- VA does not limit the number of acres a VA-guaranteed property may have.
- The appraisal of properties with acreage should not pose a problem, as long as similar properties in the area were recently sold primarily for residential use. This may include improvements not typically considered residential, like barns, sheds, corrals, stables and pastures.
- For VA purposes, the value must not include livestock, crops, or farm equipment and supplies. Individual improvements not typically considered residential will be valued at fair market value. This includes barns, sheds, corrals, stables, pastures, etc.

Underwriting guidelines are generally the same as for nonfarm-type dwellings.

- For example, some or all of the income necessary to support the loan payments may come from farming operations. In this case, VA must verify the Veteran's ability and experience as a farm operator.