Doctor's Loan: The Complete Guide for Medical Professionals

May 9, 2025 Specialty Loans

0%
Down Payment
Loans up to $2M
No minimum saved

$0
PMI Required
Save $200–$800/mo
Even at 100% LTV

STU
Student Loans
IBR/deferred excluded
from DTI for residents

You've spent a decade in school, racked up student loan debt, and are just starting your attending position — but you're ready to buy a home. The Doctor's Loan was built exactly for this situation.

What Is a Doctor's Loan?

A Doctor's Loan (also called a physician mortgage or medical professional home loan) is a specialized mortgage program designed for licensed medical professionals — particularly those who are early in their careers. Doctors have exceptional long-term earning potential and historically very low default rates, even when their current financial snapshot doesn't fit conventional underwriting boxes.

Doctor's Loans allow qualified borrowers to purchase a primary residence with 0–5% down, no private mortgage insurance (PMI), and flexible treatment of student loan debt — even before the first paycheck from a new job.

Who Qualifies?

Most programs require at least one borrower to hold one of the following active professional designations:

- Medical Doctor (MD)
- Doctor of Osteopathy (DO)
- Doctor of Dental Science or Surgery (DDS)
- Doctor of Dental Medicine (DMD)
- Doctor of Ophthalmology (MD or DO)
- Doctor of Psychiatry (MD or DO)
- Doctor of Pharmacy (PharmD)
- Doctor of Veterinary Medicine (DVM or VMD)
- Doctor of Podiatric Medicine (DPM)
- Certified Registered Nurse Anesthetist (CRNA with DNAP or DNP)
- Medical Residents, Fellows, or Interns with the above degrees

Note: Chiropractors are generally not eligible for Doctor's Loan programs.

Doctor's Loan vs. Conventional vs. FHA

Feature	Doctor's Loan	Conventional	FHA
Min. Down Payment	**0–5% (no PMI)**	3–20%	3.5%
PMI / MIP Required	**No**	Yes (if < 20% down)	Yes (lifetime MIP)
Min. Credit Score	**680**	620	580
Max Loan Amount	**$2,000,000**	$806,500 (conforming)	$498,257 (most areas)
Max DTI	**45–50%**	43–50%	Up to 57%
Student Loan Treatment	**IBR / deferred excluded for residents**	1% of balance or IBR payment	1% of balance or IBR payment
Pre-employment Income	**Offer letter accepted (60–150 days)**	Not allowed	Not allowed

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Feature	Doctor's Loan	Conventional	FHA
Underwriting	Manual (no AUS)	AUS accepted	AUS accepted
Cash-Out Refi	Not allowed	Allowed	Allowed

Application Process: Step by Step

1. **Get Pre-Qualified**
   Talk with a loan officer who specializes in Doctor's Loans. Share your current status, start date if new job, estimated purchase price, and state. You'll get a pre-qualification letter.
2. **Submit Your Application**
   Complete the Uniform Residential Loan Application (Form 1003). Your lender will pull a tri-merge credit report. Minimum score: 680.
3. **Provide Documentation**
   The heart of the process — see the document checklist below.
4. **Property Appraisal**
   Lender orders an independent appraisal to confirm the property's market value. Valid for 120–180 days.
5. **Manual Underwriting Review**
   Doctor's Loans require full manual underwriting — no AUS. The underwriter reviews student loan status, employment contract, assets, and credit history.
6. **Conditional Approval & Clear to Close**
   The underwriter issues conditions to address. Once all cleared, you receive your Clear to Close (CTC).
7. **Closing**
   Sign documents with a title company or escrow agent. You'll pay closing costs (typically 2–4% of the loan amount) and any required reserves. You receive the keys.

Document Checklist by Scenario

Required documents vary based on your employment situation:

Scenario A: Attending Physician (W-2 Employee)

- ✔Most recent 30-day pay stubs (YTD income shown)
- ✔Most recent 1–2 years W-2 forms
- ✔Verbal Verification of Employment (VVOE) — within 10 business days of closing
- ✔Government-issued photo ID
- ✔Most recent 2 months bank statements (all pages)
- ✔Proof of medical license / professional degree

Scenario B: Starting a New Job Within 60–150 Days

- ✔Fully executed employment contract or offer letter (signed by both parties)
- ✔Contract must state: position/title, start date, salary/compensation, minimum 12-month coverage
- ✔Only contingencies allowed: medical license receipt, standard background/drug checks
- ✔Proof of medical license (or pending license receipt)
- ✔Government-issued photo ID
- ✔Most recent 2 months bank statements
- ✔Evidence of reserves to cover PITIA from note date to employment start date

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Scenario C: Medical Resident or Fellow

- ✔Proof of residency/fellowship program enrollment
- ✔Current residency contract or offer letter
- ✔Most recent pay stubs from residency program
- ✔Documentation confirming student loan IBR or deferment status
- ✔Government-issued photo ID
- ✔Most recent 2 months bank statements
- ✔Proof of medical degree

Scenario D: Independent Contractor (1099 / Locum Tenens)

- ✔Fully executed employment contract with guaranteed/minimum salary or hourly rate
- ✔Contract must state: hours, 12+ month period, start within 60 days of closing
- ✔Letter from hospital/clinic confirming no out-of-pocket expenses for the physician
- ✔If taxes filed using 1099 income: 2 years personal tax returns required
- ✔Government-issued photo ID
- ✔Most recent 2 months bank statements

Frequently Asked Questions

Q: Can I use a Doctor's Loan before I start my job?
Yes. Some lenders accept an executed employment contract as qualifying income if your start date is within 90–150 days of the note date. The contract must be fully signed and include a stated salary for at least 12 months.

Q: Do I need to pay PMI?
No. PMI is NOT required, even when borrowing 100% of the purchase price. This can save $200–$800/month on a $1M loan.

Q: How are my student loans counted?
For residents and fellows with loans in IBR or deferment, student loan payments can be excluded from the DTI calculation entirely.

Q: Can I get a Doctor's Loan for a rental or second home?
No. Doctor's Loan programs are strictly limited to primary residences — 1-unit properties only.

Q: What credit score do I need?
The minimum is 680 for most programs. The qualifying score is the lowest representative score across all borrowers on the loan.

Quick Summary

- ✓ Designed for MDs, DOs, dentists, pharmacists, CRNAs, and other licensed medical professionals
- ✓ 0–5% down with NO PMI — even at 100% LTV
- ✓ Loan amounts up to $2,000,000
- ✓ Residents and fellows: student loans in IBR/deferral can be excluded from DTI
- ✓ Future employment contracts accepted (job not yet started)
- ✓ Gift funds from family allowed — no minimum borrower contribution
- ✓ Available for first-time buyers AND move-up purchasers
- ✓ Primary residence only, 1-unit property

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