

# WHAT ARE FHA LOANS?

Historically, these loans have helped Americans receive home financing with more lenient qualification standards.



## FHA MORTGAGE FACTS

- Upfront mortgage insurance of 1.75% of the base loan amount
- Monthly mortgage insurance is paid on all loans with less than 10% down payment for the life of the loan
- Monthly mortgage insurance can be cancelled on loans with 10% or more down payment after 11 years and 78% LTV

## REQUIREMENTS

- Down payment: 3.5% or greater
- Credit score: FHA requires 500+, but each lender sets its own minimum. Typically no lower than 580
- Debt to income ratio: typically between 45%-50% or lower
- Loan to value ratio: 96.5% or lower
- Loan limit (Up to max allowable loan amount): \$420,680
- Mortgage insurance is required depending on loan terms and down payment
- FHA approval of property based on a home inspection

## ELIGIBLE PROPERTY

- Manufactured homes (within specific guidelines)
- Attached and detached single family homes
- 2-4 unit homes as long as you live in one of the units
- Attached and detached planned unit developments
- Condominiums that meet FHA approval



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