

Your Guide To FHA vs. CONVENTIONAL

FHA

- Typical first time homebuyer loan
- 3.5% Down Payment
- Lower minimum cash to close
- Can do a no closing cost FHA loan
- 580 Credit Score Required
- Debt to income thresholds are higher
- Up front mortgage insurance premiums (1.75%) financed Example, \$275,000 loan amount = \$4812.50 (one-time fee)
- Monthly MI premiums Example, the MI payment on a \$275,000 loan amount at .55% for 360 months is \$124.94

CONV

- 3% to 5% Down Payment depending on loan program
- Effective 1/1/2024 max CONV loan limit on 1 unit is \$766,550
- 620 Credit Score Required
- Single Lien LTV's between 80% - 97% require Private Mortgage Insurance (PMI)
- Second Lien Financing available to avoid PMI. 80/15/5 or 80/10/10 typically
- 3% Seller contribution on 90.01% to 97% LTV, 6% Seller contribution on 75.01% to 90%, 9% Seller contribution on 75% or less
- First Lien LTV of 80% or less and excellent credit offer the best interest
- Can be combined with Texas Veterans Land Board (TX VLB) rate reduction programs for eligible veterans

CONTACT YOUR LEGACY LOAN OFFICER
for more information about loan options



GREG RIORDAN

Loan Officer | NMLS# 832841
928-427-5156
Squatch@legacymutual.com



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mutual mortgage

