

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



**LEGACY**  
mutual mortgage