



GOOD FACTS TO KNOW

ABOUT **FHA**

Since 1934, FHA loans have helped millions of homebuyers become homeowners. Insured by the Federal Housing Administration (FHA), these loans typically have lower down payments and more flexible credit requirements than non-government-backed loans.

FHA HIGHLIGHTS

- Low 3.5% down payment allowed
- Down payment can be gifted by a relative, borrowed from an eligible 401K, or provided by an approved state or local program
- Co-signers are allowed but must be eligible borrowers
- Seller can contribute up to 6% of the purchase price toward closing costs
- Two types of mortgage insurance (MI) are required:
 - Upfront MI – can be financed into the loan or paid in cash
 - Annual MI – paid monthly as part of the mortgage payment
- Available only for financing a primary residence
- Minimum 620 credit score required on manually underwritten loans
- Minimum 580 credit score allowed with Automated Underwriting System Approve/Eligible*
- Loan limits may vary by county

