

# *What Is An FHA Home Loan?*

## What FHA Refinance loans are available?

If you're considering a refinance, FHA offers several options. If you have a lower credit score or are carrying more debt, these loans generally have easier qualification requirements than conventional loans. There are refinances to meet different needs, including cash-out and renovation. As with all FHA loans, you will need to pay mortgage insurance.\*

### Refinance easily: FHA Streamline Refinance

The [FHA Streamline Refinance](#) is the fastest, easiest way for a homeowner with a current FHA home loan to refinance. Your home's original purchase price is used as the current value of the home, so there's no appraisal. There's an added advantage if your home has lost value: You'll still be able to borrow up to the loan limit on the original price.

### Refinance for cash: FHA Cash-Out Refinance

Sometimes you need money for something important, like educational expenses, starting a business, or paying down higher-interest debt. The [FHA Cash-Out Refinance](#) allows you to take cash from your home equity – that's the difference between what your home is worth and what you owe on your mortgage.

### Refinance to renovate: FHA 203(k) loan

An [FHA 203\(k\)](#) loan is designed specifically for home renovations. When you use it to refinance, you pay off your existing mortgage and take out a new one with renovation funds added to it.

There are two versions:

**Limited** – Finance up to \$35,000 in home renovations. Only certain types of repairs are eligible.

**Standard** – Finance a minimum of \$5,000 in home repairs with no maximum. All repairs must be supported by an appraisal. More extensive structural repairs are permitted with the Standard loan than with the Limited loan.

\*Mortgage insurance is required to protect lenders against losses from defaults on home mortgages. FHA loans have both an upfront mortgage insurance premium (MIP) and a monthly mortgage insurance premium. You can finance the MIP as part of your loan, and the monthly premium will be part of your mortgage payment. Our [FHA Home Loans](#) page has more information about the benefits and requirements of FHA loans.

**Ready To Take The Next Step?**