

## Loan Type Comparisons

### FHA Loan vs. Conventional Loan

FHA Loan	Conventional Loan
Lower credit score to qualify	Stricter lending requirements
Mortgage insurance mandatory	Mortgage insurance required if down payment is less than 20%
Down payment of at least 3.5%	Down payment range 3% to 20%
Loans backed by the government	Loans not backed by the government
Can only be used to finance a primary residence	Can finance a primary residence, vacation home, rental property, etc.

	Conventional Loans	FHA Loans	VA Loans			USDA Loans
<b>Minimum Credit Score</b>	640	500-579 with 10% down; 640 with 3.5% down	No minimum score			640, though it varies by lender
<b>Loan Limits</b>	647,200 to 970,800 for conforming loans	420,680 to 970,800 for single-family homes	No loan limits			Varies by state, location & county
<b>Down Payment Minimum</b>	3%	3.5%	No down payment required			No down payment required
<b>Extra Fees</b>	PMI required with down payment of less than 20%	Upfront mortgage insurance of 1.75% and ongoing fee of 0.55%	<b>Upfront funding fee of 2.15% to 3.3%</b>			
			Down Payment	1 <sup>st</sup> Time VA Loan Use	Subsequent VA Loan Use	
			No down payment	2.15%	3.3%	
			5% or more 10% or more	1.5% 1.25%	1.5% 1.25%	
<b>Other</b>					Limited income requirement, though no limit on loan amounts	

### Still Unsure About Your Best Mortgage Option?

While we hope that this chart has cleared up some anxiety and misconceptions about mortgages, we understand that you may still have questions. The good news is that Shabrena Buchanan is a licensed Mortgage Loan Officer and Qualifying Specialist.

Give me a call today to answer your questions and begin taking the steps toward your next home purchase or refinance, call **(240) 351-1487** or email [admin@keyfactorco.com](mailto:admin@keyfactorco.com).