FHA vs. Conventional Financing

Do you have a significant Down Payment?

Being able to remove the Mortgage Insurance makes Conventional loans very appealing. Greater down payment means more savings!

Interest Rate Sensitive?

Does the allure of FHA's lower interest rates appeal to you? Don't forget to consider the upfront MI. The MI effectively makes the cost higher for a quick comparison, check the APR.

Do you have Good Credit?

FHA offers more leniency in approval and pricing if your credit is less-than perfect.

Counting on Seller Contributions?

FHA offers up to 6% seller-paid contributions versus up to only 3% for Conventional financing if the LTV is over 90%.

Does the home need repairs?

The FHA 203(k) program only requires 3.5% down, versus 5% down for the comparable Conventional Homestyle Renovation.

Do you plan on living there over 5 years?

Mortgage Insurance on Conventional loans can be removed when the LTV (Loan-to-Value) reaches 78% - either by payments or appreciation.

Making additional principal payments?

Making additional payments towards principal would help lower your LTV (Loan-to-Value), being able to remove your Mortgage Insurance on a Conventional loan would result in monthly and long-term savings.

What is FHA?

The Federal Housing Authority provides Mortgage Insurance (MI) on loans made by FHA-approved lenders.

30 years makes a difference

The allure of FHA's lower interest rates appeal to you? Don't forget to consider the upfront MI. The MI effectively makes the cost higher for a quick comparison, check the APR.

DOWN PAYMENT

FHA offers more leniency in approval and pricing if your credit is less-than perfect.

FEDERAL HOUSING AUTHORITY

The Federal Housing Authority provides Mortgage Insurance (MI) on loans made by FHA-approved lenders.

FEDERAL HOUSING AUTHORITY

Mortgage Insurance (MI) on loans made by FHA-approved lenders.

APR %

$42K DIFFERENCE

What is FHA?

The Federal Housing Authority provides Mortgage Insurance (MI) on loans made by FHA-approved lenders.

30 years makes a difference

FHA Financing may be right for you if your credit has some imperfections – consult a Mortgage Professional for additional personalization and guidance.

Conventional Financing may be right for you if you have good credit and plan to keep your home for an extended time – consult a Mortgage Professional for additional personalization and guidance.

**HOW DO I DECIDE?**

©2015 MLS Mortgage Group

*Not an advertisement, this is an example demonstrating a possible difference between original purchase and after the home has gained value.