



DREAMS2REALITY
REAL ESTATE

**HELPING
YOU MOVE
FORWARD**



Mortgage Loan Options Your Dreams2Reality

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Conventional

- Standard mortgage loans not insured by the government
- Requires a higher credit score and a down payment of 3% to 5%.
- Can be used for a variety of property types, including a rental property.

2

FHA

- Designed for first-time homebuyers with lower credit scores & smaller down payments.
- Lower down payment requirement of 3.5%.
- Requires mortgage insurance (MIP) for the life of the loan, which increases monthly payments.

3

VA

- Issued by private lenders but backed by the VA.
- Down payment is not required for VA loans if you have full entitlement.
- A funding fee is required, however, it can be rolled into the loan.

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USDA

- Designed for properties located in a rural or suburban areas who meet certain income requirements.
- No down payment required for a USDA loan. USDA loans are 100% financing.
- Low interest rates and lower mortgage insurance costs.

5

State & Local

- Limits on the price of the home and location where you can buy.
- Some financial assistance provided result in a lien that has to be paid off if home is sold before so many years owned.
- Assistance offered can be in the form of down payment assistance, tax credits, or reduced-interest loans.

6

Rehab

- Home purchase and renovations are both consolidated into mortgage.
- Funds disbursed in renovation stages, usually through a draw schedule.
- Due to the additional risk associated with the renovations, rates are slightly higher than a standard mortgage loan.