

Loan Type Comparison

FHA, VA, Conventional, and RD

Loan Type Comparison

FHA



Mortgage loan insured by the Federal Housing Administration, a government agency

CONVENTIONAL



A mortgage loan that must meet Fannie Mae or Freddie Mac standards. Both are government sponsored agencies that buy and sell loans. They do not insure your loan

**RURAL
DEVELOPMENT**



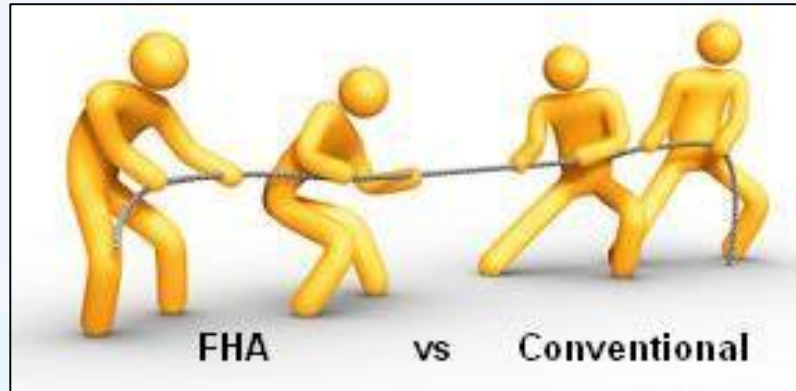
Loans backed by the United States Department of Agriculture with the intention to build some of the nation's smaller communities

VA



Loans offered by the government to Veterans

FHA vs. Conventional



FHA

- Requires as little as 3.5% down
- Loan is assumable
- Can qualify even after a foreclosure or bankruptcy (after time lapse)
- More Credit Flexibility
- Can use gifted funds
- Can have co-signers

Conventional

- Often have lower rates of mortgage insurance
- Does not require Upfront Mortgage Insurance
- Can be Adjustable rates or Fixed
- Mortgage Insurance can be terminated

FHA vs. Conventional: Cons

FHA

CONVENTIONAL

CONS

- Requires two kinds of Mortgage Insurance – Upfront and monthly
- Home must meet certain conditions and be appraised by an FHA appraiser
- Can never terminate Mortgage Insurance

- Requires a lower Debt to Income ratio than FHA
- Can require as much as 20% down
- Requires higher credit scores than FHA

Is a Rural Development Loan Right for Me?

1. Are you in a Rural defined Area?
2. Do you have a credit score of 620 or higher with a clean credit history the last 12 months?
3. Do you meet the income limits as specified?

Check with your Mortgage Loan Originator at Bay Equity for the answers to these questions.

If you can answer YES to all three questions, a Rural Development might be your best option!

100% FINANCING AVAILABLE!

VA Loans

Eligibility for the VA loan is defined as Veterans who served on active duty and have a discharge other than dishonorable after a minimum of 90 days of service during wartime or a minimum of 181 continuous days during peacetime. There is a six-year requirement for National guards and reservists with certain criteria and there are specific rules concerning the eligibility of surviving spouses.



Why Choose a VA Loan?

- Buy with no down payment
- Loan amounts as high as \$417,000 with \$0 down in some areas and even high with a down payment
- Interest rates typically better than other loan options
- ZERO monthly mortgage insurance
- Funding fee can be financed into loan

COMPLIANCE

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