

# WHAT IS AN FHA LOAN?

An FHA loan is an type of mortgage that is insured by the Federal Housing Administration of the U.S. Department of Housing and Urban Development (HUD).

If you are looking to buy a home, but worry that your low credit rating or debt to income ratio may stand in the way, you may be eligible for an FHA loan. Although there are still limits to how much you can borrow, FHA loans typically require a lower down payment.

## BENEFITS

- Down payments as low as 3.5%
- Low minimum credit scores
- 1-4 unit owner-occupied residences
- Gifts allowed
- Non-occupant co-signors allowed
- Ability to add home repair costs to the loan for remodeling

## CONSIDERATIONS

- Annual and up-front mortgage insurance premiums are required for an FHA loan
- Maximum loan amounts vary by state and county
- Homebuyer education courses or minimum credit score requirements may apply
- Down payment assistance may or may not be available in your area

Since 1934, FHA loans have made it easier for all types of people, first-time homeowners and senior citizens to realize their dream of homeownership. And at imortgage, we are dedicated to finding the dream loan for those dream homes.



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