



# DIFFERENCES BETWEEN CONVENTIONAL, FHA & VA LOANS

## CONVENTIONAL

- › Not insured or guaranteed by the Federal Government
- › If less than 20% down on a property, borrower pays for private mortgage insurance
- › Must adhere to guidelines set by Fannie Mae and Freddie Mac.
- › To qualify, borrower must have good credit, a steady income, and money for the down payment

## FHA

- › Insured by the Federal Housing Administration (FHA)
- › Down payments as low as 3.5% of the purchase price
- › Low closing costs and the ability to finance some or all of them
- › More liberal guidelines than conventional loans
- › Borrower-paid Mortgage Insurance Premium (MIP) required on loans with less than 20% down

## VA

- › Guaranteed by the Veterans Administration (VA)
- › To qualify, borrower must be a current member of the U.S. armed forces, a veteran, a reservist/national guard member, or an eligible surviving spouse
- › No down payment required in most cases
- › No private mortgage insurance requirement

Contact me if you have any questions.

THE BRANDON  
DREW<sub>GRP</sub>

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