

TABLE OF MORTGAGE OPTIONS

(FHA credit scores although are set at 580 lenders are allowed “overlays”*. It’s important to discuss the credit requirements with a potential lender before you submit information for pre-approval)

Type	Minimum Down payment	Minimum Credit Score	Upfront Fees	Mortgage Insurance	What you need to know
VA Home Purchase	0%	Officially, none, but lenders are allowed to set their own minimums	0%	None	Only service members, veterans and surviving spouses are eligible.
FHA Home Purchase	3.5% for applicants with credit score of 500/579	Officially, 500 for a 90% loan and 580 for a 96.5% loan. Lenders often set higher minimums.	1.75% upfront mortgage insurance premium (MIP) which can be wrapped into the loan.	.85% of the existing loan balance per year for most buyers, but ranging from 45 to 1.05%	FHA is not restricted to first-timers or low-income buyers.
USDA Home Purchase	0%	Typically, lenders require a 640 score	1.00% upfront mortgage insurance (MIP), which can be wrapped into the loan.	.35% of the existing loan balance per year, paid monthly	USDA is not restricted to first-timers or low-income buyers

***Credit overlays:** A mortgage lender **overlay** is qualification requirement applied by a lender that exceeds the standard qualification guidelines for a loan program. In short, applying **overlays** means that lenders use tougher borrower qualification requirements than they are required to according to general mortgage industry guidelines.