

FHA QUICK REFERENCE

TYPES OF HOMES TO PURCHASE OR IMPROVE

One- to four-family homes (section 203(b))

- New or existing housing
- Borrowers with less than perfect credit may still qualify
- 3.5 percent cash investment

Condominium units

- Application required within a year of conversion
- Low and moderate income renters can stay in their homes
- Condo must be buyer's principal residence

Homes needing rehabilitation

- Buy or rehabilitate in older, declining urban areas
- Rehabilitation mortgage can cover \$5,000+ in rehab costs plus home purchase
- Loan can also be used to rehab existing home

Manufactured (mobile) homes and lots

- For home only, 5 percent down payment
- Lender sets rate and is insured to 90 percent of home value up to \$48,600
- For home and lot, insurance up to 90 percent of home value to \$64,800
- For lot only, loan insured up to \$16,200
- Loan terms range from 15 to 25 years

Homes for targeted groups

FHA insures mortgages with special terms for

- public servants such as police and teachers;
- homeowners over 62 years old (reverse mortgages);
- victims of disasters; and
- individuals living on tribal reservations and other restricted lands.

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TYPES OF MORTGAGES

Adjustable rate mortgage (ARM) for purchase or refinance

- Borrower can buy or retain more affordable housing when rates are high by keeping initial rates and mortgage payments to a minimum
- Maximum rate change in a year is 1 percentage point; over life of loan, 5 points

Loans for home improvements

- Property improvement loan insurance provides up to \$25,000 for rehab or construction of nonresidential buildings on single-family property; up to \$60,000 for multi-family property
- Streamlined 203(k) limited repair loan, for single-family properties sold by HUD or for refinancing, covers repairs up to \$35,000 and mortgage based on after-rehab value
- Energy Efficient Mortgage finances cost of adding energy-efficient features to new or existing housing; new homebuyer can finance 5 percent of property value

CONTACT FHA

- You can find more information about FHA programs at www.fha.gov or by calling **1.800.CALL.FHA (225.5342)**
- To find a HUD-approved housing counseling agency call **1.800.569.4287** or visit www.hud.gov and click on "Talk to a housing counselor" under "At Your Service."
- Find FHA Lenders at <http://locator.fha.gov/>

To learn more, go to

www.realtor.org/government_affairs/fha_resources



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