

# UNDERSTANDING THE { MORTGAGE PROCESS }

## Loan programs

When it comes to home financing, you have options. Loan programs vary by down payment, credit score, interest rate, terms, loan amount and other criteria.

Loan Type	Overview	Best for buyers who:
<b>Conventional Fixed - Rate Mortgage</b>	<ul style="list-style-type: none"> <li>• Down payment varies; may be a gift.</li> <li>• Less than 20% down requires private mortgage insurance (PMI).</li> <li>• Loans up to \$453,100*</li> <li>• Minimum credit score of 620</li> <li>• Fixed interest rate throughout the life of the loan</li> </ul>	<ul style="list-style-type: none"> <li>• Have an established credit history</li> <li>• Plan to stay in their home for a longer time</li> <li>• Wish to purchase a second/vacation home or investment property</li> </ul>
<b>Conventional Adjustable Rate Mortgage (ARM)</b>	<ul style="list-style-type: none"> <li>• Down payment varies; less than 20% down requires private mortgage insurance.</li> <li>• Loans up to \$453,100*</li> <li>• Minimum credit score of 620</li> <li>• Initial lower monthly payments</li> <li>• Lowest interest rate for fixed period, usually 3-10 years, then rate can adjust up or down.</li> </ul>	<ul style="list-style-type: none"> <li>• Have an established credit history</li> <li>• Plan to stay in their home for a shorter period – just a few years</li> <li>• Wish to purchase a second/vacation home or investment property</li> </ul>
<b>Jumbo Mortgage</b>	<ul style="list-style-type: none"> <li>• Down payment varies, less than 20%</li> <li>• Loans over \$453,100*</li> <li>• Available as fixed or adjustable (ARM)</li> </ul>	<ul style="list-style-type: none"> <li>• Have an established credit history</li> <li>• Are purchasing a home with a loan that exceeds limits for a conventional loan</li> </ul>

Loan Type	Overview	Best for buyers who:
<b>FHA</b>	<ul style="list-style-type: none"> <li>• Down payment of 3.5% required; may be a gift.</li> <li>• Loans up to \$294,515*</li> <li>• Credit score of 640 (for best rate)</li> <li>• Upfront and monthly mortgage insurance is required.</li> </ul>	<ul style="list-style-type: none"> <li>• Don't have an established credit history or who have past credit challenges</li> <li>• Plan to occupy the property as their primary residence</li> </ul>
<b>Veterans Administration (VA) Loans</b>	<ul style="list-style-type: none"> <li>• No down payment required; 100% financing available.</li> <li>• Loans up to \$453,100*</li> <li>• May take longer to close, especially new construction</li> <li>• Upfront funding fee included in loan amount</li> </ul>	<ul style="list-style-type: none"> <li>• Are active-duty military and veterans only or surviving spouse (eligibility required)</li> </ul>
<b>U.S. Department of Agriculture (USDA) Loans</b>	<ul style="list-style-type: none"> <li>• No down payment required; 100% financing available.</li> <li>• Loan amounts dependent on income qualifications.</li> <li>• Fixed interest rates</li> <li>• Monthly mortgage insurance may be required</li> <li>• Loan has property and income eligibility limits.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan to occupy the property as their only residence</li> <li>• Want to buy with as little as \$0 down</li> </ul>
<b>NC Housing Loans</b>	<ul style="list-style-type: none"> <li>• Minimum credit score of 640</li> <li>• Tighter debt-to-income requirements</li> <li>• Designed to help finance affordable housing and provide down payment assistance</li> <li>• Loan amounts dependent on program chosen.</li> </ul>	<ul style="list-style-type: none"> <li>• Meet qualifying requirements</li> <li>• Have a maximum household income within the guidelines</li> <li>• Are first-time buyers</li> </ul>

\* Loan limits vary by county, but these are the limits for most areas of NC and SC where Allen Tate does business.

\*\* Loan programs and limits subject to change.

## WHICH LOAN PROGRAM IS BEST FOR YOU?

Talk to your Allen Tate Mortgage Consultant and find out.