



## **Pathway to Information**

### **FHA Product**

For the buyer who doesn't qualify for a conventional loan based on income, available funds or credit, an FHA loan provides a great alternative at extremely competitive rates.

#### **Pros**

- Minimum 3% of purchase price needed from borrower for down-payment, closing costs and 1<sup>st</sup>-year real estate taxes. Money may be a gift from blood relative or a grant from an "allowable" organization
- 6% seller concession---reduce cash needed to close
- Need only 1-year employment history
- No minimum credit score

#### **Cons**

- Property must be in good condition or repairs will be mandated prior to closing
- Several inspections mandated (i.e. pest, well water/septic)

#### **Qualifications**

- Financing allowed 2 years after a bankruptcy (with re-established credit)
- Financing allowed 3 years after a foreclosure (with a 0 balance)
- Full documentation loan
- 29/41 debt ratio
- No late payments in past 12 months
- One- to four-family owner occupied homes
- Borrower cannot have history of defaulted government back loans

Think Flaherty Funding first for all your mortgage and refinance needs.