

Standard Mortgage Programs

Conventional Loans

Conventional loans are the most common type of home loan and are available with the widest variety of lenders. They are best suited for home buyers with strong credit and low amounts of existing debt. Down payments can be as low as 3%. They generally require a credit score of at least 620 and a debt-to-income ratio (the percentage of your monthly income spent paying debts) under 36%. Buyers with down payments under 20% have to pay for [private mortgage insurance](#).

Jumbo Loans

Jumbo loans are mortgages that exceed the conventional loan limit. Buyers must demonstrate the income and cash reserves to keep up with mortgage payments for a longer period of time than other loans. They are best suited for buyers who need a large mortgage. Lenders may want a down payment as high as 20%

FHA Loans

Home loans insured by the Federal Housing Administration (FHA) have more flexible credit requirements than conventional mortgages. They are best suited for buyers with lower credit scores and limited down payment savings. These loans allow for credit scores as low as 500 with a 10% down payment; with a credit score of 580 or higher you can make a 3.5% down payment. Debt-to-income ratios up to 50% are allowed for qualifying borrowers with credit scores of 580 or higher. FHA loans require FHA mortgage insurance, which lasts for 11 years or the life of the loan, depending on the size of your down payment. FHA loan limits are lower than conventional loans.

VA Loans

These loans are backed by the Department of Veterans Affairs (VA) and are available to veterans and members of the military who meet minimum service requirements. A person is only eligible for one VA loan at a time and can transfer properties. No down payment is required, and no mortgage insurance requirement, even if you put 0% down. While there is no set minimum credit score, most lenders want to see a score of at least 620.

USDA Loans

The U.S. Department of Agriculture backs USDA loans for buyers in qualifying rural/less suburban areas. There is no down payment requirement, and borrowers are subject to income limits. There is an annual fee of 0.35% of the remaining loan balance.