📄 Downloadable Checklist:

FHA vs. Conventional Loan for Your Seattle/Bellevue Home

Choosing the right financing is critical in the competitive Seattle and Bellevue real estate markets. Use this checklist from Tribeca NW Real Estate to compare FHA and Conventional loans against your financial profile.

1. Your Financial Profile: Which Loan is a Better Fit?

Financial Factor	Best for FHA Loan (Check if this applies to you)	Best for Conventional Loan (Check if this applies to you)
Credit Score	☐ My FICO score is between 580 and 620.	☐ My FICO score is 620 or higher (740+ for best terms).
Down Payment Savings	☐ I have limited savings (need ≈3.5% down).	☐ I have more saved (targeting 5% or 20% down).
Debt-to-Income (DTI) Ratio	☐ I have a higher DTI (up to 50–55% max).	☐ I have a lower DTI (ideally under 43–45%).
Post-Major Credit Event	☐ I need a shorter waiting period after a bankruptcy or foreclosure.	☐ I have no recent major credit issues.

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Disclaimer: This checklist is for informational purposes only. Qualification requirements and loan terms can change. Consult with a qualified mortgage professional for personalized advice on your specific financial situation and current loan limits for King County, Washington.

2. Mortgage Insurance Comparison (PMI vs. MIP)

Insurance Factor	FHA Loan (MIP)	Conventional Loan (PMI)
Upfront Fee	☐ Requires an Upfront Mortgage Insurance Premium (UFMIP) of 1.75% (can be rolled into loan).	☐ No Upfront Insurance Premium.
Monthly Payment	☐ Mandatory monthly MIP regardless of down payment.	☐ Only required if down payment is less than 20%.
Ability to Cancel	☐ Cannot be canceled unless you refinance (if <10% down).	☐ Can be automatically canceled once home equity reaches 22% (20% upon request).
Total Long-Term Cost	☐ May be more expensive over time due to insurance lasting longer.	☐ Likely cheaper over time if you put down <20% and eventually cancel the insurance.

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3. Property and Use Comparison in the Puget Sound

Property Factor	FHA Loan	Conventional Loan
Loan Purpose	☐ Must be my Primary Residence (Seattle first-time homebuyer focus).	☐ Can be for a Primary Residence, Second Home, or Investment Property.
Property Condition	☐ Home must pass a stringent FHA appraisal (Minimum Property Requirements for health/safety).	☐ Appraisal focuses primarily on market value; offers more flexibility on property condition.
Loan Amount	☐ Limited by FHA Loan Limits (must be below the high-cost limit for King County).	☐ Allows for higher loan amounts, including High-Balance Conforming and Jumbo Loans (essential for Bellevue luxury homes).

4. Next Steps with Tribeca NW Real Estate

☐ Consult a Tribeca NW Agent: I need a local expert to help me navigate the Washington real estate market and create a strong offer, regardless of the loan type.

☐ Get Pre-Approved: I need a referral to a trusted local mortgage broker who specializes in both FHA and Conventional financing to determine my exact interest rate and maximum purchase price.

☐ Determine My True Cost: I will ask my lender to calculate the Annual Percentage Rate (APR) for both options, as it includes the interest rate and all fees (including MIP/PMI).

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