TYPES OF LOANS EXPLAINED

CONVENTIONAL

A conventional loan is a type of loan that is not insured or guaranteed by the government. Instead the loan is backed by private lenders. Due to the lack of government backing, conventional loans typically require better credit and lower debt-to-income ratios to qualify, Typically you need a minimum 5% down payment although some programs allow for as little as 3%.

FHA

FHA loans are backed by the federal government and allow for a low 3.5% down payment, The credit guidelines for FHA loans are also more lenient than conventional loans so it may be easier to qualify for this program if you have less than perfect credit.

VA

Do you or have you served in the U.S. military? If so, you'll want to look at this option because it's a great loan product that's an earned benefit offered to all active duty and retired military personnel. It has highly competitive pricing, no mortgage insurance requirement, the option to finance the VA funding fee into the loan amount, and further benefits extended to disabled veterans.

USDA

This loan is designed for buyers purchasing a home in a rural area, making it ideal for those who may not be able to get conventional financing. It's managed by the Rural Housing Service and offers flexible credit criteria.

NON-TRADITIONAL

Several types of loans fit into this category including: jumbo, zero credit scores, HELOCs, hard money loans, construction loans, etc. If conventional methods of homeownership are not an option for you, then a non-traditional loan might be an alternative. These loans offer versatile methods of financing for select borrowers with typically higher interest rates.