

rules for FHA loans

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Rules for a FHA Loan?

The U.S. Dept. of Housing and Urban Development offers a variety of loan insurance programs through the Federal Housing Administration, which requires approximately 3 to 4 percent cash down. There are no income requirements to qualify for a FHA mortgage. Other advantages are that FHA loans do not contain prepayment penalties and in some cases they are assumable by qualified purchasers.

FHA loan limits vary, depending on the county where the property is located. FHA loans are originated and serviced by private lenders.

FHA does not lend money. The mortgage is made by a bank, savings and loan, mortgage company or other FHA-approved lender. In addition, FHA does not set the rates and points. The lender determines these, so it is best to shop around by calling several FHA-approved lenders.

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