



Conventional Fannie Mae and Freddie Mac Home Loan Programs

What is a Conventional Loan?

A Conventional Loan is a loan that meets the loan guidelines as set forth by either Fannie Mae or Freddie Mac. These loans currently have a maximum of \$424,100 in most areas. There are some "high cost" areas where the conventional loan limit is higher. Conventional loans can be used for purchase, refinance and cash out. You can finance different property types, such as a single family home, townhome, condo, duplex, triplex, fourplex, and manufactured home. Different occupancy types are allowed on conventional loans as well, although loan to value adjustments apply. Guidelines are consistently changing, so please consult one of our loan professionals.

CONVENTIONAL AT A GLANCE:

- Up to 97% LTV Financing Owner Occupied
- Up to 90% LTV Financing Second/Vacation Home
- Up to 85% LTV Financing Investment
- Standard Credit score of 620+
- First Time Home Buyers OK
- Must provide proof of Income and Assets
- Seller Contributions Allowed, amount varies by loan to value and occupancy type
- 30 Year Fixed, and any term down to 8 years
- 1 Year, 3/1, 5/1, 7/1 and 10/1 ARMS
- Purchase, Refinance and Cash Out Refi
- Gift from family member allowed
- No Closing Cost Option available

CONVENTIONAL ADVANTAGES

- Low Down Payment Requirement
- Payments generally lower vs FHA when credit score is 700 and higher
- No Income Limits
- Typically less documentation required vs FHA
- PMI can be removed
- Higher loan amounts vs FHA
- Second homes and investment property allowed
- No Mortgage Insurance option

CONVENTIONAL DRAWBACKS

- Interest rate adjustments based on loan to value and credit score can make conventional more expensive vs FHA when credit scores are under 700
- Lower Debt to Income limit vs FHA
- Escrow holdbacks for repairs generally not allowed



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Programs are subject to change, all are available effective 11/15/2017. Please contact us for detailed information.