

# ONLY 3.5% DOWN ON YOUR NEW LOMBARDO HOME

*We Make it Easy with FHA Approved Neighborhoods!*

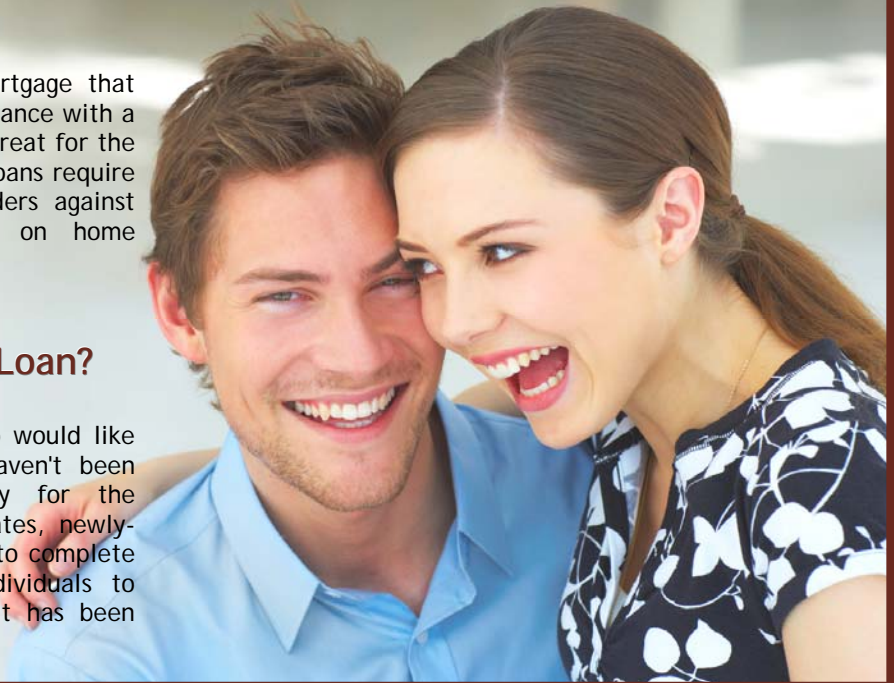
TAKE ADVANTAGE TO FINANCE YOUR DREAM HOME WITH FHA FINANCING

## What is an FHA Loan?

An FHA loan is a home mortgage that allows for a purchase or refinance with a low down payment. They're great for the first time home buyer. FHA insured loans require [mortgage insurance](#) to protect lenders against losses that result from defaults on home mortgages.

## Who Can Get an FHA Loan?

FHA loans benefit those who would like to purchase a home but haven't been able to put money away for the purchase, like recent college graduates, newlyweds, or people who are still trying to complete their education. It also allows individuals to qualify for a FHA loan whose credit has been marred by bankruptcy or foreclosure.



## Easier to Qualify

FHA's mortgage insurance allows individuals to qualify who may have been previously denied for a home loan by conventional underwriting guidelines.



It is not necessary to meet a minimum income requirement in order to qualify for a FHA loan. But, in order to prevent homebuyers from getting into a home they cannot afford, FHA guidelines have been

put into place requiring borrowers and/or their spouse to qualify according to reasonably set [debt to income ratios](#). This is done through a close analysis of income and monthly expenses.

An FHA loan applicant's past [credit performance](#) that demonstrates good credit history and a solid track record of timely payments will also likely be eligible for the mortgage.



## Low Down Payment

The most popular FHA home loan is the 203(b). This fixed-rate loan often works well for first time home buyers because it allows individuals to finance up to 96.5 percent of their home loan, a low 3.5 percent down payment, which helps to keep down payments and closing costs at a minimum. The 203(b) home loan is also the only loan in which 100 percent of the closing costs can be a gift from a relative, non-profit, or government agency.



Insurance on FHA mortgages are often rolled into the total monthly payment at 0.5 percent of the total loan amount which is roughly half of the price of mortgage insurance on a conventional loan. After five years or when the loan balance reaches 78 percent, the additional mortgage insurance is typically met and therefore drops off the total monthly payment.

