CONVENTIONAL LOAN

HIGHLIGHTS:

- Minimum down payment of 3-20%.
- Credit score typically 620 or higher.
- Debt-to-income (DTI) ratio generally below 45%.
- Private mortgage insurance (PMI) required if down payment is less than 20%.
- Available for primary, secondary, and investment properties.
- Loan limits set by the Federal Housing Finance Agency (FHFA).

PROS OF CONVENTIONAL LOANS

- Can be used for primary, secondary, and investment properties.
- More flexibility in loan terms and structures.
- No upfront funding fee required.
- Potentially lower interest rates for borrowers with excellent credit.
- No property location restrictions.
- Higher loan limits compared to FHA and USDA loans.

CONS OF CONVENTIONAL LOANS

- Higher rates may apply for borrowers with lower credit scores.
- Approval process less lenient than government-backed loans.
- PMI required for down payments under 20%.
- Larger down payment typically needed.
- Stricter debt-to-income (DTI) ratio requirements.
- Higher credit score requirements.

GET STARTED NOW SCAN!