STEVE FOX'S

MORTGAGE FINANCE

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Conventional 3%, 5% and 10% Down Payment Loans are Back!

FHA Financing may not be the only solution!

Now that housing prices in the area have stabilized and homes are starting to appreciate in value again, we are now able to offer conventional financing which can save "well qualified" borrowers over *$15,000* in financing costs over a similar FHA loan. To qualify, borrowers need to have 680+ credit scores and at least a 3% down payment.

The FHA Program

Fallout after the sub-prime mortgage meltdown caused all conventional mortgage insurance companies to tighten standards. As a result, FHA loan volume increased significantly and helped stabilize our housing market when conventional loan giants Fannie Mae and Freddie Mac were on the ropes. The FHA loan saved us!

The FHA Loan is a Great Financing Tool!

FHA loans allow down payments as low as 3.5% (buy for $648,186 and make a 3.5% down payment!)

FHA loans are assumable, and if rates rise, become a very attractive future selling feature

FHA loans easily allow borrowers to purchase with less than perfect credit scores (as low as 640)

FHA loans allow buyers to obtain all purchasing funds from family member gifts

FHA loans allow buyers to have family members co-sign to help qualify

All FHA Loans Have Mortgage Insurance Costs

All FHA loans require 1.75% upfront mortgage insurance premium which can be financed

FHA 30 Year loans have at least .85% yearly fees paid in monthly premiums (It adds .85 percent to your rate)

Monthly mortgage insurance remains for the LIFE of the loan – unless you make a 10% down payment (11years)

Conventional Mortgage Insurance

The BEST Conventional mortgage insurance programs are the "Single Premium" programs. Mortgage insurance is charged on all conventional mortgages having a loan to value (LTV) greater than 80%. Mortgage insurance rates on conventional loans depend on the type of property, the LTV, and the credit score. These are the most common yearly rates/premiums. Borrowers with credit scores below 680 have higher rates, and might consider FHA.

Single Premium	Loan to Value	Upfront Premiums Depend on Credit	Yearly Premiums	Maximum Loan
Conforming	97%	2.94% - 2.94%	0 – Saves .86% / year over FHA	$417,000
	95%	1.83% - 3.10%	0 – Saves .85% / year over FHA	$417,000
	90%	1.27% - 1.95%	0 – Saves .80% / year over FHA	$417,000
	85%	.75% - 1.25%	0 – Saves .80% / year over FHA	$417,000
Jumbo	90%	1.65% – 2.60%	0 – Saves .80% / year over FHA	$625,500
	85%	1.20% - 2.3%	0 – Saves .80% / year over FHA	$625,500

Monthly Premiums***	95.00%	Saves 1.75% over FHA	.54% - 89% (FHA = .80)	$417,000
	90.00%	Saves 1.75% over FHA	.39% - 57% (FHA = .80)	$417,000
(720+ scores)	90.00%	Saves 1.75% over FHA	.59% - .69% (FHA = .80)	$625,500
	85.00%	Saves 1.75% over FHA	.63% - .67% (FHA = .80)	$625,500

More Big Savings! – ***Conventional mortgage insurance probably CAN BE removed IF you meet certain credit standards and your loan amount drops to < 78% of the original SALES PRICE – unlike FHA which requires in most scenarios for the LIFE of the loan..