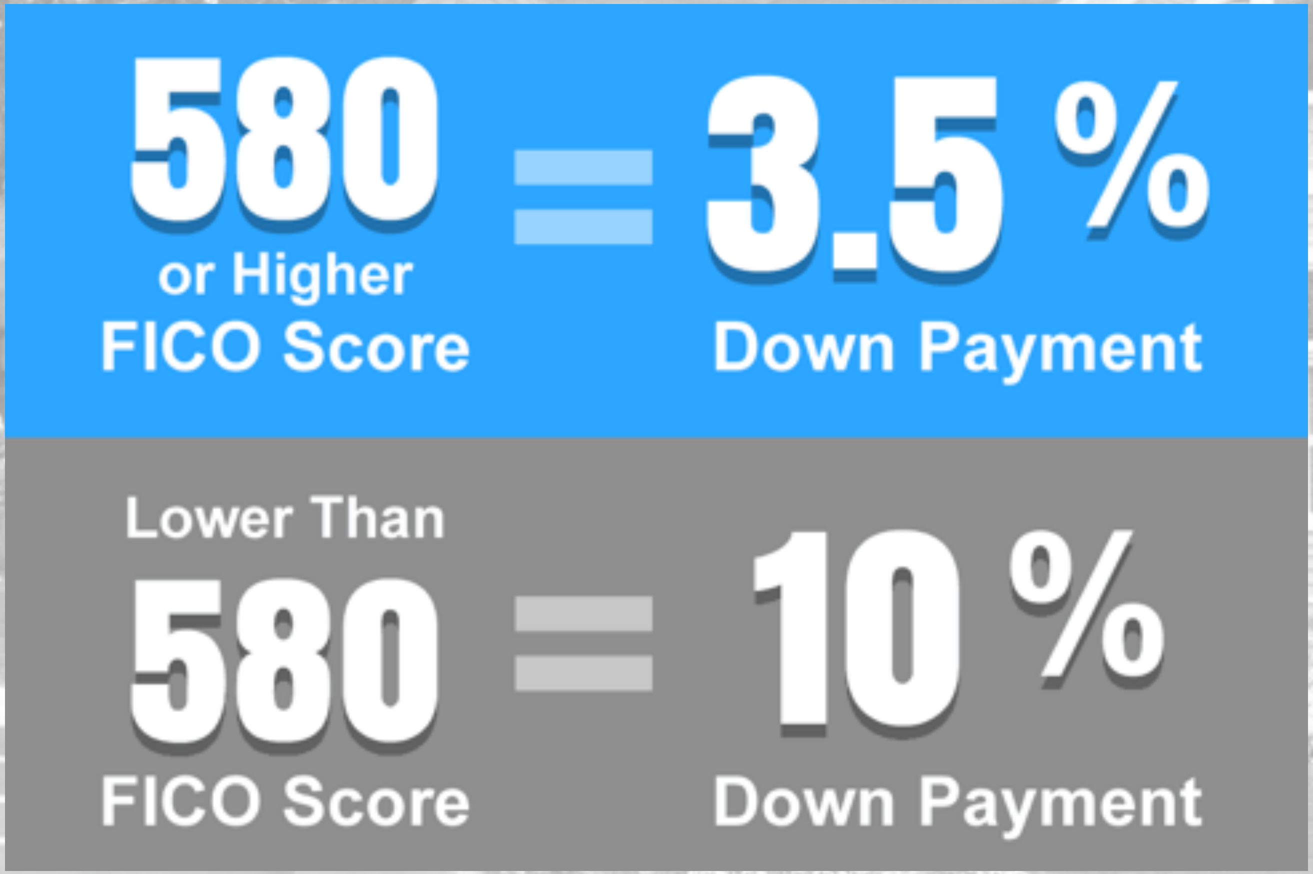
FHA Bad Credit Home Purchase Loans

FICO Score



580
or Higher
FICO Score
=
3.5 %
Down Payment
Lower Than
580
FICO Score
=
10 %
Down Payment

Home Equity Conversion Mortgage (HECM) Loan

- Credit exceptions
- Allows the borrower to access a portion of their home equity and convert it into tax-free retirement funds
- The loan typically becomes due when the last borrower permanently leave the home
- Provided the home is sold to repay the loan, the borrower will never owe more than the appraised value of the home

Benefits

- Does the borrower have to make monthly mortgage payments?
- No. Unlike a traditional home mortgage or equity loan, the borrower do not have to make monthly loan payments and any existing mortgage will be paid off using the loan proceeds
- Borrower must continue to pay their property taxes and homeowners' insurance

HOPE For Homeowners

- The HOPE for Homeowners act is designed to prevent qualified home owners from defaulting on their loans, and avert foreclosure
- This is done through refinancing into affordable, fixed-rate mortgages

FHA Counseling

- Those with past credit problems can often improve their scores over time and become eligible even under the new updated FHA minimum credit score requirements
- The first step is to request help from the FHA for credit counseling or first time homebuyer counseling

What about having a co-signer?