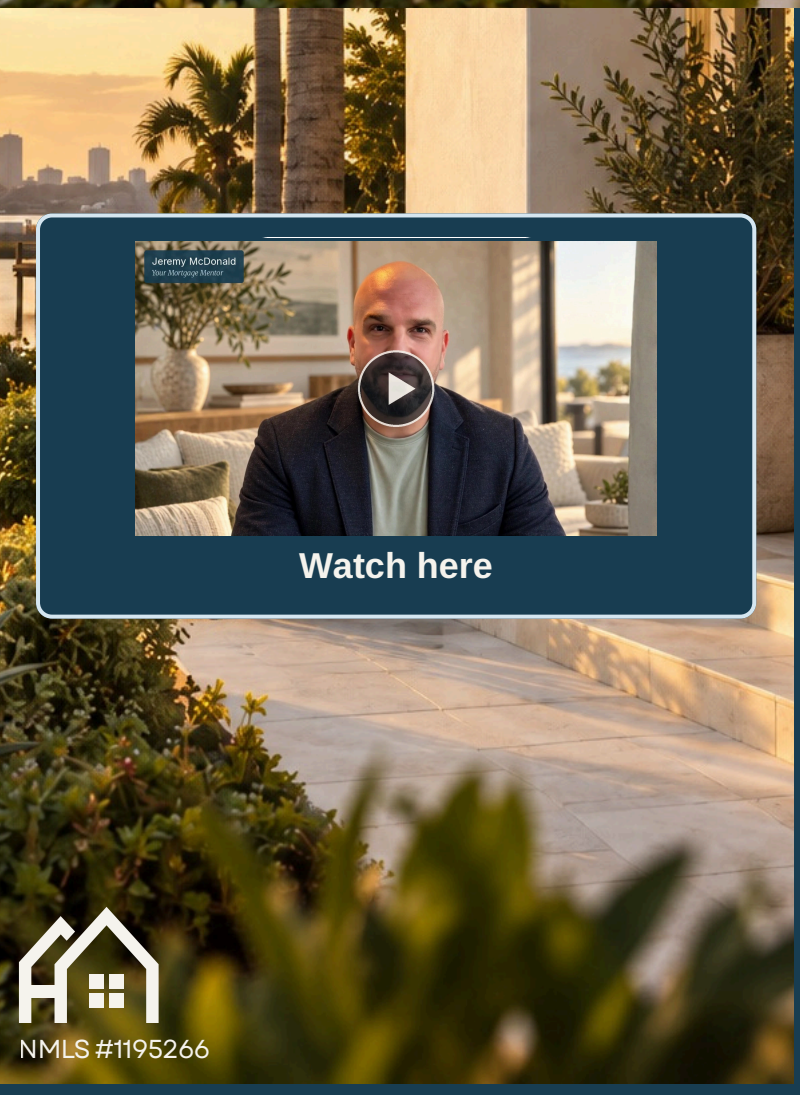
FHA PURCHASE

# THE FHA *Guide*




Watch here

## A clear look at buying with an FHA loan.

Who it's for, the key requirements, the costs to plan for, and the real loan process from Pre-Approval to closing.

Prepared by

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Your Mortgage Mentor

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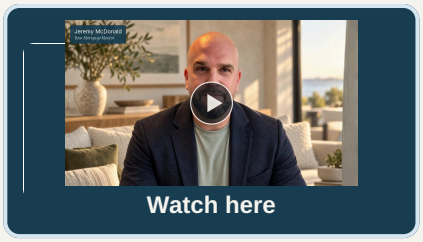
NMLS #1195266






# Who an FHA loan is really for

FHA is often a fit when you have a smaller down payment or you're still building credit.

You can typically buy a primary home with as little as 3.5% down if your credit score is 580 or higher. Scores from 500 to 579 may still qualify with 10% down. Gift funds and approved assistance can often be used.

You'll pay an upfront mortgage insurance premium and an annual premium. I'll walk you through those numbers so there are no surprises.

## INSIDE THIS GUIDE


01 **Who it's for**
See if this path fits your situation.

02 **The loan process**
From Pre-Approval to under contract, disclosures, appraisal, underwriting, and funding.

03 **The costs**
Down payment, MIP, closing costs, and monthly payment parts.

04 **Your worksheet**
Organize your budget and the homes you tour.


## HOW TO USE THIS GUIDE

01 Read who this loan is for and the key requirements.

02 Walk through the loan process before you get under contract.

03 Fill in the cost page and the worksheet with your numbers.

04 Bring your questions when we talk. Call or text me at (904) 442-3213.

# Meet your mentor


Jeremy McDonald
Your Mortgage Mentor

(904) 442-3213
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# Seven steps in your loan process

Here's the real path, from Pre-Approval to funding. I'll stay in close touch so you always know what is next.




Watch here

01

## Pre-Approval

We'll talk through your goals, review the numbers, and get you a Pre-Approval you can use before you write an offer.

02

## Get Under Contract

When you and your agent find the right home, I'll help you understand the financing side before you sign the contract.

03

## Loan Disclosures Go Out

After we take a full application, your loan disclosures go out so you can see the estimated costs and terms in writing.

04

## Appraisal and Underwriting

We order the appraisal and submit your file to underwriting so the property and the loan can be reviewed together.

05

## Conditions

Underwriting may ask for more documents. Send those in quickly so the file keeps moving.

06

## Clear to Close

When the file is clear to close, you'll get your Closing Disclosure. Review it at least three business days before you sign.

07

## Closing and Funding

You sign, funds are disbursed, and you get the keys. I'll tell you exactly what to bring.

### PRO TIP

**Get your Pre-Approval in place early.**

Knowing your budget before you tour homes helps you stay focused and ready when the right house comes along.

### WHAT'S THE TIMELINE?

Timing depends on the contract, the appraisal, underwriting, and how quickly documents come in.

I'll stay in close touch so you always know what is next.

### NEED A HAND?

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# Plan beyond the purchase price

With FHA, plan for the down payment, mortgage insurance, and closing costs, not just the price of the house.

### 01. DOWN PAYMENT

FHA typically allows 3.5% down with a 580 or higher credit score, or 10% down with a score from 500 to 579. Gift funds and approved assistance may be used.

YOUR ESTIMATE: $_____

### 02. CLOSING COSTS

These may include lender fees, title services, taxes, prepaid items, and other transaction charges. Some costs can sometimes be negotiated with the seller.

YOUR ESTIMATE: $_____

### 03. INSPECTION & APPRAISAL

Budget for a home inspection and the FHA appraisal. The appraisal confirms value and basic property standards the loan requires.

YOUR ESTIMATE: $_____

### 04. MORTGAGE INSURANCE

FHA charges an upfront premium of 1.75% of the base loan, which can usually be financed, plus an annual premium collected monthly. On many 3.5% down loans, annual MIP lasts for the life of the loan unless you refinance.

YOUR ESTIMATE: $_____

## Understand your monthly payment

- **PRINCIPAL**

The portion of your payment that reduces the amount you borrowed.

- **INTEREST**

The cost of borrowing money on this loan.

- **TAXES & INSURANCE**

Property taxes and homeowners insurance, often collected with your payment.

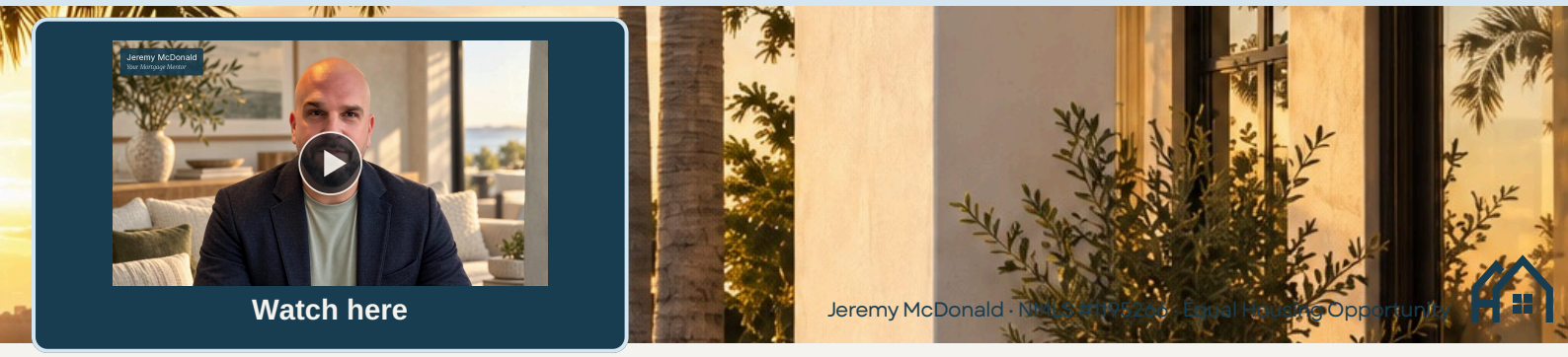
- **FHA MIP**

The annual mortgage insurance premium, paid monthly. Rates are typically 0.50% to 0.55% on most 30-year loans.

## Other costs to consider

You may also need to budget for HOA dues, maintenance, utilities, and moving costs. Program details can change, and I'll confirm the current figures on your file.

Ask me for a personalized estimate of your total monthly payment and closing costs.






# Get your FHA numbers on paper.

Use this worksheet to clarify your budget, your must-haves, and the homes you tour.

## YOUR BUYING PLAN

MAXIMUM PURCHASE PRICE

$_____

TARGET MONTHLY PAYMENT

$_____

DOWN PAYMENT SOURCE

TARGET MOVE-IN DATE

DEFINE YOUR PRIORITIES

### MUST-HAVES

Features this home or deal needs to have.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

### NICE-TO-HAVES

Features you'd like but can live without.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

### DEAL-BREAKERS

Things that would make this a poor fit.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

## PROPERTY TOUR NOTES

| PROPERTY ADDRESS | LISTING PRICE | BEDROOMS / BATHROOMS | OVERALL RATING | NOTES |
|---|---|---|---|---|
| | | | ○ ○ ○ ○ ○ | |
| | | | ○ ○ ○ ○ ○ | |
| | | | ○ ○ ○ ○ ○ | |
| | | | ○ ○ ○ ○ ○ | |
| | | | ○ ○ ○ ○ ○ | |

Location, condition, FHA property questions, and potential concerns.

## Your next step

Write down your budget and your questions, then call or text me at (904) 442-3213. We'll see whether FHA is the right path and what cash to close looks like for you.

Program rules can change. I'll confirm current FHA requirements on your file.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