VABASSO MORTGAGE

FHA HOMEBUYER GUIDE

Eligibility, mortgage insurance, appraisal standards, and the complete FHA buying process

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FHA Homebuyer Guide

A practical guide to FHA eligibility, mortgage insurance, down payments, appraisal requirements, property standards, closing costs, and the complete homebuying process.

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Read online: https://vabasso.com/resources/guides/fha-homebuyer-guide

In short

An FHA loan is a mortgage originated by an approved lender and insured by the Federal Housing Administration. FHA financing may offer flexible qualification and down-payment features, but borrowers must still meet credit, income, asset, occupancy, property, appraisal, and underwriting requirements.

Key takeaways

- FHA does not lend money to consumers. An approved private lender originates and underwrites the loan; FHA insurance protects that lender against certain losses.
- FHA financing is generally intended for primary residences, including eligible one-to-four-unit properties the borrower occupies.
- FHA loans carry mortgage insurance — typically an upfront premium and an annual premium collected monthly — which affects total cost over time.
- The FHA appraisal reviews value plus safety, soundness, and security. It is not a substitute for an independent home inspection.
- FHA is not automatically cheaper or easier than Conventional financing. The right comparison is total monthly and long-term cost for your specific profile.
- No single credit score, debt-to-income ratio, or down-payment percentage governs every FHA file. Findings, lender requirements, and the property all matter.

Who this guide is for

- First-time buyers evaluating low-down-payment financing
- Repeat buyers who are not restricted from FHA financing
- Borrowers with limited funds for a down payment
- Borrowers with a shorter or rebuilding credit history
- Buyers using documented gift funds
- Buyers purchasing an owner-occupied two-to-four-unit property
- Buyers considering renovation financing
- Anyone comparing FHA with Conventional, VA, or USDA financing

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What is an FHA loan?

The Federal Housing Administration is part of the U.S. Department of Housing and Urban Development. FHA does not make mortgage loans to consumers. Instead, it insures qualifying mortgages originated by approved lenders, which allows those lenders to extend financing to a wider range of borrower profiles than they otherwise might.

In practice this means a private lender takes your application, verifies your income and assets, orders the appraisal, underwrites the file, and funds the loan. FHA insurance sits behind that lender and protects it against certain losses if the loan later defaults.

The borrower remains fully responsible for repaying the mortgage. FHA insurance is not borrower protection, mortgage payment protection, or homeowners insurance. It is a lender-side credit enhancement paid for by the borrower.

FHA financing is generally intended for primary residences. Eligibility depends on borrower qualification, property eligibility, appraisal results, and complete underwriting approval.

> FHA insurance supports the loan. It does not guarantee borrower approval.

02

Who may consider FHA financing?

FHA financing is often discussed as a first-time buyer program, but that framing is incomplete. FHA is available to eligible repeat buyers as well, subject to occupancy rules and underwriting.

Borrower profiles that frequently evaluate FHA include buyers with limited funds available for a down payment, buyers with a shorter or rebuilding credit history, buyers relying on documented gift funds, and buyers purchasing an owner-occupied two-to-four-unit property where rental income may be considered under program rules.

Buyers who intend to renovate may also review FHA renovation financing, which underwrites to the value the completed work is expected to create rather than the property's current condition alone.

Important clarifications

- FHA is not limited to first-time buyers.
- FHA is not automatically the lowest-cost financing option.
- FHA financing is not appropriate for investment-only occupancy.
- A stronger credit or equity profile may qualify for Conventional financing at a lower long-term cost.

- Every comparison should be run on your actual numbers, not on general assumptions.

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What does FHA eligibility involve?

Eligibility is reviewed across the borrower, the property, and the transaction. No single factor determines the outcome, and strength in one area can offset a weaker area only when program guidance and the lender allow it.

Areas commonly reviewed

- Legal ability to enter into a mortgage obligation
- Valid Social Security number or eligible identification documentation, where applicable
- Primary-residence occupancy intent
- Income stability and the likelihood of continuance
- Employment history or documented income continuity
- Credit history, including payment patterns and derogatory events
- Existing debt obligations and monthly payment burden
- Assets, funds to close, and reserves where required
- Property type, condition, and program eligibility
- Appraisal value and minimum property requirements
- Automated or manual underwriting findings and any lender conditions

> FHA eligibility depends on HUD guidance, lender underwriting, automated or manual underwriting findings, borrower profile, property, and transaction structure. This guide does not publish a universal minimum credit score or debt-to-income limit because those thresholds are not universal.

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How does the FHA down payment work?

FHA permits comparatively low-down-payment structures for eligible borrowers. The required minimum investment can vary based on the borrower's credit profile, underwriting findings, and the transaction, so the amount shown in an early estimate is not final until underwriting confirms it.

The down payment is separate from closing costs and prepaid expenses. Many buyers plan only for the down payment and are surprised by the total cash required at settlement. The Down Payment Planning Guide walks through the full calculation.

Gift funds may be permitted from eligible donors when properly documented. Seller credits negotiated in the purchase contract may help with eligible closing costs, subject to program limits. Earnest money already paid is generally credited toward cash to close when the deposit is documented.

> This guide intentionally does not publish specific down-payment percentages, loan limits, or premium rates. Those values change and should be confirmed with your advisor against current HUD guidance for your county, program, and transaction.

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How does FHA mortgage insurance work?

FHA loans carry mortgage insurance in two parts. An upfront mortgage insurance premium is assessed at closing and, subject to program rules, may be financed into the loan amount or paid at closing. An annual mortgage insurance premium is calculated on the loan and is generally collected monthly as part of the mortgage payment.

How long the annual premium remains on the loan depends on factors that include the loan term and the loan-to-value ratio at origination. On some structures the premium remains for the life of the loan, and the practical way to remove it is to refinance into different financing once the borrower qualifies.

Mortgage insurance is a real cost of borrowing. Two loans with the same interest rate can have very different total costs once mortgage insurance is included, which is why FHA and Conventional financing should be compared on total monthly payment and long-term cost rather than rate alone.

How mortgage insurance and guarantee fees generally differ by program

Program	Upfront charge	Ongoing charge	Typical removal path
FHA	Upfront mortgage insurance premium, financeable subject to rules	Annual premium collected monthly	Often refinance, depending on term and original loan-to-value
Conventional	Generally none, though single-premium structures exist	Private mortgage insurance when applicable	Cancellation based on equity and servicer rules
VA	One-time funding fee, with exemptions	No monthly mortgage insurance	Not applicable
USDA	Upfront guarantee fee	Annual fee collected monthly	Generally remains for the loan term

> Current premium and fee percentages are not published here. Ask your advisor for the figures that apply to your program, term, and loan-to-value as of your application date.

06

What credit factors are reviewed?

Underwriting looks at the pattern of credit behavior rather than a single number. Payment history is usually the most heavily weighted element, followed by the nature and recency of any derogatory events.

FHA guidance may provide a framework, while lenders can impose additional underwriting requirements. Two lenders can review the same credit report and reach different conclusions because their overlays differ.

Commonly reviewed credit elements

- Payment history across installment and revolving accounts
- Collection accounts and their balances
- Charge-offs and their resolution
- Recent late payments, especially housing-related
- Bankruptcy history and re-established credit afterward
- Foreclosure, short sale, or deed-in-lieu history
- Credit utilization on revolving accounts
- Disputed accounts, which may require resolution before approval
- Nontraditional credit references where the file has limited reporting
- Recent inquiries and newly opened accounts
- Compensating factors such as reserves, residual income, or a modest payment increase

> Waiting periods after significant credit events exist but vary by event, program, documentation, and lender. Do not assume a general timeline applies to your file.

07

How is debt-to-income analyzed?

Underwriting typically reviews two ratios. The housing ratio compares the proposed total housing payment — principal, interest, taxes, insurance, mortgage insurance, and association dues where applicable — to gross monthly income. The total debt-to-income ratio adds other monthly obligations reported on credit or otherwise documented.

Most files are run through automated underwriting. When a file is manually underwritten, documentation and compensating factors carry more weight, and additional requirements may apply.

No single ratio guarantees eligibility. A file with a higher ratio and strong reserves, long job stability, and minimal payment shock may be viewed differently than a file with the same ratio and none of those factors.

Factors that influence the debt-to-income review

- Automated underwriting findings
- Manual underwriting requirements when applicable
- Documented compensating factors
- Residual cash flow after obligations
- Payment shock relative to current housing expense
- Depth and length of credit history
- Verified reserves after closing

> Model your own numbers with the Debt-to-Income Calculator and the Home Affordability Calculator, then confirm with the Mortgage Readiness Assessment.

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How is income documented?

Income documentation depends on how you are paid. The underwriting question is always the same: is this income stable, verifiable, and reasonably likely to continue?

Salaried and hourly income is generally the most straightforward. Variable income such as overtime, bonus, and commission is usually averaged over a look-back period and requires evidence of continuance. Self-employment income is typically calculated from tax returns and business documentation rather than deposits alone.

Retirement, Social Security, disability, and pension income are documented through award or benefit letters and receipt history. Rental income is reviewed through leases and tax schedules under program rules. Military income includes entitlements shown on a Leave and Earnings Statement. Alimony or child support may be used only when you choose to disclose it and it can be documented.

Part-time, seasonal, and gap employment histories are not automatic obstacles, but they usually require a written explanation and supporting documentation.

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What assets and funds are reviewed?

Funds used for the down payment, closing costs, and reserves must generally be eligible, available, and documented. Underwriting reviews where the money came from, not only that it exists.

Asset sources commonly documented

- Checking and savings accounts with full statement pages
- Investment and brokerage accounts, including liquidation evidence when used
- Retirement accounts, including terms of access where relevant
- Gift funds with a signed gift letter and transfer trail
- Grants and down-payment assistance program documentation
- Seller credits reflected in the purchase contract
- Earnest money deposit and evidence it cleared
- Large deposits inconsistent with normal income patterns
- Business funds, where permitted and documented
- Cash on hand only where a program permits it and it can be documented
- Reserves remaining after closing where required

> Send identity and financial documents only through your lender's approved secure portal. Do not email statements, identification, or account numbers, and never act on wire instructions received by email without verbal verification through a phone number you independently confirmed.

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How do gift funds work?

A gift is money provided to the borrower with no expectation of repayment. Programs differ on who may be an eligible donor, and this guide does not publish a universal donor list because the rules are maintained by HUD and interpreted by lenders.

Documentation generally includes a signed gift letter that states the amount, the relationship, and that repayment is not expected, along with evidence of the transfer from the donor's account to the borrower's account or directly to closing. Some files also require evidence that the donor had the ability to make the gift.

Timing matters. A gift deposited before the file is documented can create questions that are harder to answer later. Undocumented cash is the most common source of avoidable delay in this category.

> The Down Payment Planning Guide covers gift documentation, seller credits, assistance programs, and reserves in more detail.

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What properties are eligible?

Property eligibility is reviewed alongside borrower eligibility. A qualified borrower cannot close on a property that does not meet program requirements.

Property types commonly discussed

- Single-family detached homes occupied as a primary residence
- Condominium units in eligible projects, or under single-unit approval concepts where permitted
- Townhomes, subject to the applicable ownership structure
- Manufactured housing where eligible and properly titled and affixed
- Two-to-four-unit properties where the borrower occupies one unit
- Mixed-use properties, subject to limitations on commercial space
- New construction, subject to additional documentation
- Properties requiring repairs, which may need renovation financing or repair completion
- Leasehold estates, subject to review

> Property flipping restrictions may apply to resales that occur shortly after a prior acquisition. Ask early if the seller acquired the property recently.

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What does the FHA appraisal review?

An FHA appraisal serves two purposes. It establishes an opinion of market value for the lender, and it confirms that the property meets minimum property requirements for safety, soundness, and security.

Typical areas of attention include utilities being on and functional, the condition of the roof, electrical and plumbing systems, heating, water supply and sewage disposal, safe access to the property, and defective or peeling paint in homes built before the applicable year.

When the appraiser notes required repairs, the loan generally cannot close until those items are addressed and, in many cases, reinspected. Appraisals also have a validity period, which matters when a contract is extended.

Appraisal versus home inspection

	FHA appraisal	Home inspection
Ordered for	The lender	The buyer
Primary purpose	Value plus minimum property requirements	Condition assessment for the buyer's decision
Scope	Defined by program and appraisal standards	Broader physical review of systems and components
Outcome	May require repairs before closing	Informational; may support negotiation
Substitute for the other	No	No

> An FHA appraisal is not a substitute for an independent home inspection. Buyers should obtain their own inspection.

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Can I buy a condominium with FHA financing?

Condominium purchases require review of the project, not only the unit and the borrower. Eligibility may be established at the project level, or in some cases through single-unit approval concepts where permitted.

Common review areas include owner-occupancy composition, the association's insurance coverage, financial condition and reserves, pending litigation, the proportion of commercial space, delinquency in association dues, and any special assessments.

Because this review happens outside your control, it is worth asking about project status before writing an offer rather than after inspection contingencies expire.

> No one can promise condominium eligibility before the project has been reviewed.

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How do owner-occupied multi-unit purchases work?

FHA financing may be used for eligible two-, three-, and four-unit properties when the borrower occupies one of the units as a primary residence. This is one of the more common paths into small-scale residential investing, but it carries additional requirements.

Underwriting typically reviews market rents supported by the appraisal, how rental income may be used in qualification, reserves that may be required on multi-unit properties, and, where applicable, self-sufficiency tests on three- and four-unit properties.

Buyers should also plan for the operational reality: tenant screening, maintenance, vacancy, and the time cost of managing the property.

> Rental-income treatment, reserve requirements, and self-sufficiency calculations vary. Confirm the formula that applies to your transaction rather than relying on a general rule.

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What is FHA 203(k) renovation financing?

FHA renovation financing allows eligible repairs and improvements to be financed alongside the purchase, with the appraisal based on the value the completed work is expected to create.

There is generally a limited option for smaller, non-structural projects and a standard option for larger scopes. The standard path typically involves a consultant, more detailed documentation, and structural work eligibility.

Renovation transactions involve licensed contractors, a defined scope and budget, draw disbursements as work is completed, and contingency reserves for overruns. They take longer than a standard purchase and require more coordination.

Properties that will not pass minimum property requirements in current condition are frequently the reason a buyer considers this path.

> Explore the Renovation Loans program page for structure details, then discuss scope and timeline before writing an offer.

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What closing costs should I expect?

Closing costs are separate from the down payment and vary by state, county, lender, and transaction. They generally include lender charges, third-party services, prepaid items, and escrow funding.

Common cost categories

- Origination and lender charges
- Appraisal fee

- Credit report and verification fees
- Title search, title insurance, and settlement or closing fees
- Recording fees and applicable transfer taxes
- Prepaid interest from closing through the end of the month
- Property taxes collected in advance
- Homeowners insurance premium, and flood insurance where required
- Initial escrow account funding
- Upfront mortgage insurance premium where not financed
- Discount points if you elect to buy down the rate

What may reduce cash to close

- Seller credits negotiated in the purchase contract, subject to program limits
- Lender credits in exchange for a higher interest rate
- Documented gift funds
- Down-payment or closing-cost assistance where available and eligible
- Earnest money already paid and documented

> Estimate your figures with the Closing Cost Calculator and the Down Payment Calculator, then compare them to your Loan Estimate and, ultimately, your Closing Disclosure.

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FHA versus Conventional

This is the comparison most buyers actually need. The honest answer is that neither program is universally better; the right choice depends on credit profile, available funds, property type, and how long you expect to keep the loan.

General comparison — confirm specifics for your transaction

Factor	FHA	Conventional
Down-payment structure	Low-down-payment structures available for eligible borrowers	Low-down-payment options exist for eligible borrowers
Credit profile	May accommodate shorter or rebuilding credit histories	Generally rewards stronger credit with better pricing
Mortgage insurance	Upfront premium plus annual premium collected monthly	Private mortgage insurance when applicable, cancellable based on equity and servicer rules
Occupancy	Primary residence	Primary, second home, or investment

Factor	FHA	Conventional
Property standards	Minimum property requirements enforced at appraisal	Appraisal focuses primarily on value and condition adequacy
Loan limits	County-based limits apply	Conforming limits apply; jumbo financing beyond them
Condominiums	Project or unit-level approval concepts apply	Project review applies under investor guidelines
Multi-unit	Owner-occupied two-to-four units eligible	Owner-occupied and investment options exist
Gift funds	Permitted from eligible donors with documentation	Permitted with documentation, subject to guidelines
Seller credits	Permitted up to program limits	Permitted up to guideline limits based on occupancy and equity
Long-term cost	Mortgage insurance duration can raise lifetime cost	May be lower long-term for stronger profiles
Refinance options	Streamline options may exist for eligible borrowers	Standard rate-and-term and cash-out options

> FHA may offer more flexible qualification in some scenarios, while Conventional financing may provide lower long-term costs for some qualified borrowers.

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FHA versus VA

If you may be eligible for VA financing, compare it before defaulting to FHA. VA financing has no monthly mortgage insurance and may allow eligible borrowers to purchase with no down payment, which frequently changes the monthly comparison materially.

Factor	FHA	VA
Eligibility	Open to eligible borrowers generally	Service-based eligibility confirmed by a Certificate of Eligibility
Down payment	Low down payment for eligible borrowers	No down payment possible for many eligible borrowers
Insurance or fee	Upfront and annual mortgage insurance	One-time funding fee with exemptions; no monthly mortgage insurance
Occupancy	Primary residence	Primary residence with occupancy certification

Factor	FHA	VA
Property standards	Minimum property requirements	Minimum property requirements under VA standards
Income analysis	Ratio-driven with compensating factors	Ratio analysis plus residual income
Appraisal	FHA appraisal	VA appraisal with a Notice of Value
Entitlement	Not applicable	Entitlement affects loan structure and reuse

> An eligible veteran or service member should not choose FHA without first comparing VA financing.

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FHA versus USDA

USDA financing serves eligible properties in designated rural areas and applies household income limits. Where a property and household both qualify, USDA may allow a no-down-payment structure, which is worth comparing against FHA.

Factor	FHA	USDA
Geography	No geographic restriction	Property must be in an eligible designated area
Household income	No program income limit	Household income limits apply
Property eligibility	Broad, subject to property standards	Eligible property types in eligible areas
Occupancy	Primary residence	Primary residence
Down payment	Low down payment for eligible borrowers	No down payment possible for eligible borrowers
Fees	Upfront and annual mortgage insurance	Upfront guarantee fee and annual fee
Appraisal	FHA appraisal standards	USDA appraisal standards
Availability	Widely available	Depends on area designation and program funding

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What does the FHA loan process look like?

Step by step

Timelines vary by market, property, and file complexity.

- Review financial readiness: credit, income stability, debts, and available funds
- Estimate a comfortable payment before setting a price range
- Get pre-qualified and discuss whether FHA is the right comparison point
- Gather documents from the FHA document checklist
- Search for a property that can meet FHA property standards
- Execute a purchase contract with appropriate contingencies
- Complete the full application and receive your Loan Estimate
- Order the FHA appraisal and schedule an independent home inspection
- Processing: verifications, title work, insurance, and disclosures
- Underwriting: review of credit, income, assets, property, and appraisal
- Address underwriting conditions promptly and completely
- Receive clear to close
- Review the Closing Disclosure and verify wire instructions verbally
- Close, fund, and record

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What should I avoid before closing?

Protect your approval

- Do not open new credit accounts or take new loans
- Do not finance furniture, appliances, or a vehicle
- Do not change employment or compensation structure without discussing it first
- Do not move funds between accounts without keeping a clear documentation trail
- Do not make large or cash deposits that cannot be sourced
- Do not stop paying existing bills or let an account go past due
- Do not co-sign debt for anyone
- Do not ignore document requests; conditions expire and appraisals age

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FHA document checklist

Commonly requested items

- Government-issued photo identification
- Recent pay statements covering the period requested
- W-2 forms for the years requested
- Tax returns where required by your income type or program
- Bank statements with all pages, including intentionally blank pages
- Gift letter and transfer documentation where gift funds are used
- Fully executed purchase agreement and any addenda
- Homeowners insurance quote or binder
- Employer contact information for verification
- Two-year address history
- Documentation for other income types being used to qualify
- Bankruptcy or foreclosure documentation where applicable
- Rent payment history where requested

> Send everything through your lender's secure portal. Your advisor will confirm which items your specific file requires.

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FHA buyer checklist

Before pre-qualification

- Review income and how it will be documented
- List monthly debts and their required payments
- Estimate available funds for down payment, costs, and reserves
- Review your credit reports for errors and unresolved items
- Set a monthly payment target you are comfortable with

Before shopping

- Get pre-qualified and understand your range
- Understand FHA property requirements before touring
- Choose a real estate professional familiar with FHA transactions
- Review an estimate of cash to close, not just the down payment

After offer acceptance

- Submit documents promptly through the secure portal
- Schedule an independent home inspection
- Obtain a homeowners insurance quote and confirm flood status
- Avoid financial changes of any kind
- Review the appraisal and any required repair items with your advisor

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Important disclosure

Document requirements, eligibility, rates, costs, mortgage insurance, and loan terms vary by mortgage program, lender, investor, property, transaction type, and borrower profile. This guide is educational and is not a loan approval, a commitment to lend, a Loan Estimate, or legal or tax advice. Vabasso Mortgage is not affiliated with, endorsed by, or acting on behalf of the U.S. Department of Housing and Urban Development or the Federal Housing Administration. Program rules change; current requirements should be confirmed with your licensed mortgage advisor and with official HUD guidance.

Frequently asked questions

What is an FHA loan?

It is a mortgage originated by an approved private lender and insured by the Federal Housing Administration. FHA insurance protects the lender against certain losses; it does not lend to consumers and does not guarantee borrower approval.

Is FHA only for first-time buyers?

No. Eligible repeat buyers may also use FHA financing, subject to occupancy requirements, property eligibility, and underwriting.

What down payment is required?

FHA permits comparatively low-down-payment structures for eligible borrowers, and the required minimum investment can vary with credit and underwriting findings. Confirm the current figure with your advisor rather than relying on a general percentage.

Does FHA require mortgage insurance?

Yes. FHA loans generally include an upfront mortgage insurance premium and an annual premium collected monthly. Both are borrower-paid costs of the financing.

How long does FHA mortgage insurance last?

It depends on the loan term and the loan-to-value ratio at origination. On some structures it remains for the life of the loan, in which case refinancing into other financing is the usual removal path.

Can gift funds be used?

Gift funds may be permitted from eligible donors when documented with a gift letter and a clear transfer trail. Donor eligibility and documentation requirements vary, so confirm before funds move.

Can a seller pay closing costs?

Seller credits toward eligible closing costs may be negotiated in the purchase contract, subject to program limits. Credits generally cannot be converted into unrestricted cash back to the buyer.

What credit score is needed?

There is no single universal answer. FHA guidance provides a framework and lenders may apply additional requirements, so the same score can produce different outcomes at different lenders.

What debt-to-income ratio is allowed?

It varies with automated or manual underwriting findings, compensating factors, reserves, and residual cash flow. No single ratio guarantees eligibility or disqualification.

Can self-employed borrowers use FHA?

Yes, when income can be documented and shows stability and likely continuance. Self-employment income is typically calculated from tax returns and business documentation rather than deposits alone.

Can I buy a condominium?

Potentially, if the project is eligible or the unit qualifies under single-unit approval concepts where permitted. Ask about project status before writing an offer.

Can I buy a duplex?

Yes, owner-occupied two-to-four-unit properties may be eligible when you occupy one unit. Additional reserve and rental-income rules may apply.

Can rental income be used?

It may be considered on eligible multi-unit purchases under program rules, generally supported by the appraisal's market rent analysis and applicable documentation.

Can I use FHA for an investment property?

No. FHA financing is intended for primary residences. An owner-occupied multi-unit purchase is different from an investment-only purchase.

Can I use FHA for a second home?

Generally no. Occupancy as a primary residence is a core requirement, with narrow exceptions handled case by case.

Can I buy a manufactured home?

Manufactured housing may be eligible where the property meets program requirements, including titling and permanent foundation standards. Eligibility must be confirmed for the specific property.

Can FHA finance repairs?

FHA renovation financing can allow eligible repairs and improvements to be financed with the purchase, underwritten to the value the completed work is expected to create.

What is an FHA appraisal?

It is a lender-ordered appraisal that establishes an opinion of value and confirms the property meets minimum requirements for safety, soundness, and security.

Is an appraisal the same as an inspection?

No. The appraisal serves the lender; a home inspection serves you. An FHA appraisal is not a substitute for an independent home inspection.

What happens if repairs are required?

Required items generally must be completed before closing, and a reinspection may be needed. Who pays for the repairs is a negotiation between buyer and seller under the contract.

Can I refinance an FHA loan?

Yes. Options may include rate-and-term refinancing, cash-out refinancing where eligible, or streamline refinancing, each with its own requirements.

What is an FHA streamline refinance?

It is a refinance option for eligible existing FHA borrowers that may involve reduced documentation. Eligibility, benefit tests, and lender requirements still apply.

Can I remove FHA mortgage insurance?

Whether the annual premium can be removed depends on the original term and loan-to-value. Where it remains for the life of the loan, refinancing into other financing is the usual path.

Can I switch to Conventional later?

Yes, if you qualify at that time. Many borrowers use FHA to purchase and later refinance to Conventional financing once credit and equity support it.

Can I use down-payment assistance?

Assistance may be permitted where the program and the source are eligible and properly documented. Terms differ and can affect future refinancing or sale proceeds.

Can I qualify after bankruptcy?

It may be possible after applicable waiting periods with re-established credit and documentation. Requirements vary by bankruptcy type, circumstances, and lender.

Can I qualify after foreclosure?

It may be possible after applicable waiting periods and re-established credit. Timeframes vary by event type, documentation, and lender requirements.

Are student loans counted?

Yes. Student loan obligations are included in the debt calculation, and the payment used may depend on the reported payment, repayment plan, and program guidance.

Can I have a non-occupant co-borrower?

A non-occupant co-borrower may be permitted in some scenarios, which can affect the required investment, ratios, and underwriting path.

How long does an FHA loan take?

Many purchase transactions close in roughly thirty to forty-five days, but appraisal timing, repair requirements, condominium review, and document turnaround can extend that.

Tools, related pages, and next steps

A stronger plan begins before the application. Understand the loan, prepare the funds, estimate the payment, and take the next step with greater clarity.

Calculators

- → Mortgage Payment Calculator vabasso.com/calculators/mortgage-payment
- → Home Affordability Calculator vabasso.com/calculators/home-affordability
- → Down Payment Calculator vabasso.com/calculators/down-payment
- → Closing Costs Calculator vabasso.com/calculators/closing-costs
- → Debt To Income Calculator vabasso.com/calculators/debt-to-income

Loan programs

- → Fha Loans vabasso.com/loan-programs/fha
- → Conventional Loans vabasso.com/loan-programs/conventional
- → Va Loans vabasso.com/loan-programs/va
- → Usda Loans vabasso.com/loan-programs/usda
- → Renovation Loans vabasso.com/loan-programs/renovation

Related reading

- → Fha vs conventional vabasso.com/resources/article/fha-vs-conventional
- → How the mortgage process works vabasso.com/resources/article/how-the-mortgage-process-works
- → Understanding down payments vabasso.com/resources/article/understanding-down-payments
- → Documents needed for a mortgage vabasso.com/resources/article/documents-needed-for-a-mortgage
- → Mortgage Glossary vabasso.com/mortgage-glossary
- → Guide library vabasso.com/resources/guides

Next steps

- → Estimate my FHA payment vabasso.com/calculators/mortgage-payment
- → Explore FHA loans vabasso.com/loan-programs/fha
- → Get pre-qualified vabasso.com/get-pre-qualified
- → Talk with a mortgage advisor vabasso.com/contact
- → Apply now vabasso.com/apply
- → Mortgage Readiness Assessment vabasso.com/pre-qualify

Sources

Program rules referenced in this guide are maintained by the applicable agency, investor, and lender. Confirm current requirements with your licensed mortgage advisor and official program guidance before making decisions. Source: HUD / FHA program guidance, agency and investor guidelines, and Vabasso Mortgage editorial review dated 2026-07-30.

Disclosure

Document requirements, eligibility, rates, costs, mortgage insurance, and loan terms vary by mortgage program, lender, investor, property, transaction type, and borrower profile. This guide is educational and is not a loan approval, a commitment to lend, a Loan Estimate, or legal or tax advice. Vabasso Mortgage is not affiliated with, endorsed by, or acting on behalf of the U.S. Department of Housing and Urban Development or the Federal Housing Administration. Program rules change; current requirements should be confirmed with your licensed mortgage advisor and with official HUD guidance.

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