

## 5 BENEFITS OF AN FHA LOAN

An FHA loan is a type of mortgage backed by the government. Tailored to low-to-moderate income borrowers, FHA loans include lower minimum down payments and credit scores than many traditional loans. FHA loans are completely insured by the agency, so lenders are more lenient when it comes to rates. Check out some of the benefits that you can enjoy with an FHA loan:

### 1. EASIER TO QUALIFY

The majority of traditional loans exclude applicants with questionable credit history and low credit scores. The FHA offers flexibility in approval requirements so it's easier for you to qualify.

### 2. COMPETITIVE RATES

FHA offers low interest rates to help homeowners afford their monthly housing payments. If your credit is lacking, you could end up saving a lot on interest payments with an FHA loan. This is an unmatched benefit when compared to the negative features of subprime mortgages.

### 3. LOW FEES

In addition to lower interest rates, you can also enjoy lower costs on other fees such as closing costs, mortgage insurance and others.

### 4. NO CREDIT

The FHA normally requires two lines of credit for qualifying applicants. If you don't have a sufficient credit history, you can try to qualify through a substitute form.

### 5. SMALLER DOWN PAYMENT

Whereas standard mortgages often require down payments of 5-10% of the total cost of the home, FHA loans can be up for grabs at only 3.5% down.

Overall, for many homebuyers an FHA loan can be the difference between owning your dream home happily or it turning into a financial nightmare. The FHA provides a value of benefits for potential applicants that qualify, so ensure that you are making the most of them.