

## **10 Things You Should Know about FHA loans**

- 1. Low Down Payment – only 3.5% down payment for owner occupied properties**
- 2. Increased Loan Limits starting 1/1/09**
  - Nevada County - \$562,500**
  - Placer County - \$580,000**
- 3. Low Minimum Credit Score Requirement for loan amounts less than \$417,000. Loan amounts above \$417,001 require a minimum score of 600.**
- 4. No Pre-payment Penalty**
- 5. 100% Gift Funds allowed**
- 6. No LTV Reductions for market conditions such as soft, slow, distressed, or severely distressed**
- 7. Seller Contributions allowed up to 6% to cover closing costs and potential interest rate buydowns**
- 8. Non-occupying Co-borrower allowed – parents can help their children qualify for a mortgage**
- 9. Reserves are not required for 1 unit properties - FHA does not require excess liquid assets to cover their proposed monthly payment for a specific period of time**
- 10. Debt-to-Income Ratios – 31/43%**

**Have any homes that could benefit from new flooring, paint, window or door replacements, or new updated appliances? FHA also offers Renovations Loans.**

**Energy Efficient Mortgage can add up to \$8000 on top for insulation, windows, solar water heating, and new heating system.**

**For more information, please contact:**

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