

Interested Party Contributions

Interested Parties refer to sellers, real estate agents, builders, developers, mortgagees, Third-Party Originators, or other parties with an interest in the transaction.

Interested Party Contributions (IPC) refer to the payment by an interested party, or the combination of parties, towards the borrower's origination fees, other closing costs including any items paid outside of closing, prepaid items and discount points.

Maximum Combined Contributions		
Loan Type	Down Payment	Max. IPC%
Conventional Primary/Secondary	10%	3%
Conventional Primary/Secondary	10-25%	6%
Conventional Primary/Secondary	25% +	9%
Conventional Investment	--	2%
FHA	--	6%
VA	--	Unlimited**
USDA	--	6%

- Conventional loans calculate the max percentage using the lower of the sales price or appraised value.
- FHA and USDA loans calculate the max percentage using the sales price.
- VA loans calculate the max percentage using the appraised value

**VA has a 4% limit on seller concessions but the limit excludes normal discount points and closing costs, so allowable contributions may exceed 4% with no specified ceiling.

Have a Question About a Scenario?

Give us a call and we'll review the details with you.

Call/Text: 602-539-2488
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