

Learn About Lending

A quick reference guide to feel more confident when discussing your clients' mortgage loan.

Common Loans Overview

Loan Type	Min. Down Payment	Notes
Conventional	3%-5%	Often a good fit for buyers with a strong overall financial profile including solid credit, stable income, and manageable debt
FHA	3.5%	Government-insured loan often used by buyers whose credit or overall financial profile may need more flexibility than Conventional loans offer.
VA	0%	Government-backed loan for veterans, active military, or certain surviving spouses. Eligibility required.
USDA	0%	Government-backed loan for eligible buyers purchasing a primary home in qualifying location. Income limits apply.
Jumbo	Varies	Common with higher-priced homes and used when the loan amount is above the conforming loan limit.

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Common Lending Terms

Term	What It Means
Pre-Qualification	An early estimate of how much a buyer may be able to borrow based on information they have provided to their lender.
Appraisal vs. Inspection	An appraisal evaluates the property's market value for the lender. A home inspection evaluates the property's condition for the buyer. They serve different purposes and one does not replace the other.
Rate Lock	A lender agreement to hold an interest rate for a specific period of time while the loan moves toward closing.
Prepaid and Closing Costs	The costs associated with obtaining the mortgage and completing the purchase.
Clear to Close	The lender has completed their review and the loan is approved to close.

Have a Question About a Scenario?

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

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