

# Getting a Mortgage with Little to No Money Down

## Conventional 97% LTV Loan - Low Down Payment

Conventional 97% LTV loans require just a 3% down payment. Just like FHA loans, this loan allows 100% of the down payment to be a gift from a friend, or family member. Private mortgage insurance (PMI) is required on conventional mortgages with a loan-to-value ratio of more than 80% and it cancels when the loan-to-value ratio reaches 78%.

## FHA Loans - Low Down Payment

If you have a credit score of 500-579, then you can qualify with a 10% down payment. For those with a credit score of 580 and above, all that's required is a down payment of 3.5% of the home's purchase price. FHA loans come with multiple mortgage terms to choose from. 30-year and 15-year fixed-rate mortgage loans are the most popular. 15-year fixed-rate mortgage will have a highly monthly mortgage payment but you will save thousands on interest. You may be able to get an adjustable-rate mortgage (ARM) depending on your credit and the lender you work with.

## Conventional 97% LTV Loan - Zero Down Payment

Borrowers can use gift funds for 100% of the down payment amount. A friend, relative, or company can gift you the money for the down payment so you'll need no money down.

## FHA Loans - Zero Down Payment

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## VA Loans - Zero Down Payment

If you're a Veteran you may qualify for a VA mortgage. VA loans offer 100% financing so you need no money down. The VA doesn't require mortgage insurance, saving borrowers thousands of dollars a year. These loans are the cheapest mortgage program available today. Other fees involved with these mortgages is the VA funding fee. Because VA home loans don't require

mortgage insurance they charge a one-time funding fee to help the program be self-sufficient. The fee is 2.15% of the loan amount. On a \$200,000 mortgage the funding fee will be \$4,300 and can be financed into the loan. The credit requirements for VA loans will depend on the lender. Most lenders require a 620 credit score, but lower VA minimum credit requirements can be found with smaller lenders. Check the Department of Veterans Affairs website to get your VA certificate of eligibility.

## **USDA Loans - Zero Down Payment**

The U.S. Department of Agriculture created a housing program to help rural development. The USDA rural development loan is a zero-down mortgage for low-to-moderate income families. Another benefit of USDA loans is that the mortgage insurance premium (MIP) is much lower than any other type of mortgage available. Just 0.35% compared to 0.85% for FHA loans. The annual MIP fee is added into your monthly payment. When you think rural, you think farms and un-development land. However, the USDA eligibility map shows that most areas outside of the major cities are considered a rural area.

## **Navy Federal Credit Union (NFCU) - 100% Financing**

If you're a member of the NFCU and are a first time home buyer you may qualify for a no down payment, no PMI fixed-rate home loan. NFCU offers both conforming and jumbo HomeBuyers Choice mortgages. Conforming loans are offered up to the loan limit of \$453,100. Jumbo loans are for amounts greater than \$453,100 but not exceeding \$1 million.

[CLICK HERE](#) to determine member eligibility.