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FHA's Higher Loan Limits are Here to Stay

2009 San Mateo County FHA Loan Limits	
1 Unit	\$625,500
2 Units	\$800,775
3 Units	\$967,950
4 Units	\$1,202,925

Why Choose FHA?

In many regions of the U.S., FHA loans have not been utilized for years, so a lot of real estate agents and mortgage originators aren't familiar with this great resource. The following are just a few of the recent changes that have made FHA loans a more attractive option again for some consumers looking to buy a new home or refinance an existing one:

- 1) The FHA changed its appraisal and fee negotiating guidelines.** In the past, many sellers steered clear of FHA loans because the appraisals were too strict and certain fees were non-negotiable. The FHA has greatly loosened these guidelines to make it easier for both buyers and sellers.
- 2) FHA loans are much cheaper now.** Because FHA loans are federally insured, they tend to trade at a higher premium in the secondary market. This means lenders can often charge a lower rate.

Other FHA Benefits:

- 1) FHA loans are typically not credit-score driven. Borrowers usually can have a lower score than with other products and still qualify for a good rate.
- 2) FHA loans require as little as 3.5% down, and allows a) Sellers to finance up to 6% of the buyer's costs to close; b) Homeowners to take cash out up to 95% of the home's value; and c) Homeowners to consolidate first and second mortgages up to 97% of the home's value.
- 3) FHA loans allow down-payment assistance programs that are not seller-funded. *It is important to note that there are 22 ways in which FHA allows the funds for buyer contribution, including relative gifts and loans.
- 4) FHA loans allow non-occupying co-signers (i.e., mom/dad) to co-sign on the mortgage, even if the occupying signer (i.e. son/daughter) has no income. Note that specific restrictions apply.

If you or someone you know is thinking about buying or refinancing a home, give us a call at (650) 520-0915. We'll see if an FHA loan is right for your financial goals and needs.