

First-Time Home Buying Options

Overall, if your credit score is at or above 620 a **Fannie Mae mortgage** (including adjustable rate loans) will provide the best combination of interest rate and monthly payment. If you have challenged credit, or a credit profile that does not meet Fannie Mae guidelines, an FHA loan is a great option! To qualify for a **HomeReady loan**, you must qualify based on the income limitations set for the location of the home.

Product Feature	Fannie Mae Home Ready	Fannie Mae 97%	Adjustable Rate Loan	FHA
Occupancy	Primary Residence	Primary Residence	Primary, second home or investment property	Primary Residence
Income Limitations	✓	✗	✗	✗
Benefits as a First Time Homebuyer	Reduced monthly mortgage insurance, and lower interest rate	One member is required to be a first-time homebuyer*	✗	✗
Possible Loan Terms	15, 20 and 30 year fixed options	Any fixed rate term	3, 5, 7, 10-year fixed rate, adjusting every year thereafter	Any fixed rate term
Minimum Down Payment Required	3%	3%	5%	3.5%

* A first-time homebuyer is defined as someone who has not owned a home in the last three years.



Which Program Is Right for You?

	Fannie Mae Home Ready	Fannie Mae 97%	Adjustable Rate Loan	FHA
I only plan to live in the home 5-7 years	X	X	✓	X
My credit score is low to average	X	X	X	✓
Median income, first-time homebuyer	✓	X	X	X
First-time buyer and need a low down payment option	X	✓	X	X
I do not have a down payment - can I use gift funds?	✓	✓	✓	✓

