

Conventional Home Loans

A conventional [home loan](#) is the type of home loans most people think of when they think of borrowing money. The conventional loan requires good credit and at least a 3% down payment. That's at least \$3,000 down, WITH good credit, on a \$100,000 home. And how many of us out there have a completely clean credit report? If you've ever been late on a car payment or a credit card payment, or even if you've been late returning a movie, this may not be the kind of loan for you.



<http://www.gpfmortgage.co.za/sa-home-loans.html>

FHA home loans require that an FHA applicant have a good credit report reflecting the ability to make debt payments on time. Applicants for FHA home loans can also claim income from non-conventional sources, such as unemployment and child support. There is a low down payment required with an FHA loan, but homebuyers can pay more than the minimum of three percent, if they desire.

If you have plenty of impending debts, you can consolidate them with a comparatively reduced monthly rate of interest. Thus by lowering your monthly outgoing, you can repair your bad credit outfit. If you keep up repayments for a year or so, you can see a remarkable change in your credit score.

They are non-conventional loans with higher rates than conventional mortgages--borrower interest rates depend on several factors: income stability, debt-to-income ratio, credit score, down payment and property appraisal value. Stated income mortgages can be 15 or 30 year fixed rate loans or adjustable rate mortgages.

VA home loan members also enjoy the luxury of not having to pay advance insurance. In contrast, with a standard loan you will have to pay advance insurance if you put down less than 20% as a down-payment. Advance insurance can add a significant amount to your monthly payment, so not having to pay this is really a plus to borrowers who use their VA loan benefit.

Minorities and low-income families may be eligible for the American Dream Down Payment Initiative (ADDI), passed in 2003. ADDI allows eligible first-time home buyers to receive as much as \$10,000 in down payment assistance. State housing departments and redevelopment agencies also offer grants and other assistance for first-time home buyers. Check your phone book or find them on the Internet.

Another factor that hampers approval of manufactured home loans is the tendency of mobile homes to depreciate quickly in resale value making loans that use these kinds of homes as collateral far more risky compared to traditional home loans.

One other fabulous thing about bad credit home loans is that they offer qualification requirements that are easier to meet. With general loans, you have a large list of qualifications that might be hard for many people to meet. However, with bad credit home loans, the stakes are lessened which means that many more people will have the ability to qualify.

Mobile [home loans](#) can be divided into two categories, the conventional and the government loans. Government loans include Federal housing administration, Veteran affairs loans or loans from the rural housing service. Any other type of mortgage is called a conventional one.

If you are refinancing and need to pull cash out up to 95% of your appraised value, FHA can handle that as well. If you plan on buying or refinancing a home, consider an FHA home loan. FHASecure. The Federal Housing Administration (FHA) has announced an initiative to assist homeowners in refinancing various types of adjustable rate mortgages that have recently reset.