

**For First-time and Repeat Homebuyers**

# New VHDA Fannie Mae (FNMA) HFA Preferred with Reduced Mortgage Insurance (MI)

Affordable financing for first-time and repeat homebuyers that offers many of the same affordability benefits as VHDA's current Fannie Mae No MI product:

## Benefits

- Available to first-time and repeat homebuyers.
- Available for purchase or limited cash-out refinance transactions.
- Lowest conventional mortgage insurance payments.
- Eligible for VHDA Down Payment Assistance grant (DPA) and Mortgage Credit Certificate (MCC).
- Flexible down payment sources – gifts, FNMA Community Seconds, VHDA DPA grant funds.
- No down payment cap: 20% or more allowed with no mortgage insurance.

## Overview

- 3% minimum down payment.
- 640 minimum credit score.
- Maximum 45% debt-to-income ratio.
- 4% maximum seller concessions (6% if 10% or greater down payment).
- Maximum 97% loan-to-value (105% combined loan-to-value).
- Loans up to \$424,100 statewide.
- Maximum income limits apply. See [vhda.com/LoanLimits](http://vhda.com/LoanLimits).

### Comparison of FHA vs Fannie Mae Reduced MI

	FHA	FNMA
Minimum Down payment required	3.50%	3.00%
Mortgage Insurance rate	.85%	.65%*
MI cancellation point	Never**	78% LTV
Equity at closing	1.75%	3.00%

\*Based on credit scores of 720-739

\*\*FHA requires mortgage insurance payments for 30 years when obtaining the maximum 96.50% financing.

Rates and guidelines subject to change without notice.

\*Does not include monthly taxes, homeowners or flood insurance.

APR may vary based on specific lender fees.



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The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

