

MORTGAGE TYPES EXPLAINED

A Guide for New Buyers




FHA

The Federal Housing Administration (FHA) works with lenders to insure home loans for first-time buyers. Benefits include down payments as low as 3.5%, less stringent credit requirements and lower closing costs.

 [HUD Helping Americans](#)

FHA 203(k)

The "fixer-upper" loan. This FHA program is designed for buyers who want to buy a home in need of major repairs that would disqualify it from a standard FHA loan.

 [HUD 203k Programs](#)

VA

VA home loans are for service members, veterans and surviving spouses that are partially backed by the Veterans Administration. Benefits may include: no down payment, low interest rate, and no mortgage insurance.

 [VA Home Loans](#)

SONYMA

A SONYMA loan is a type of mortgage loan offered by the State of New York Mortgage Agency (SONYMA) to help first-time homebuyers and certain other qualified buyers afford a home in New York State.

 [SONYMA](#)

PROFESSION LOANS

Specialized mortgage programs and grants for community heroes including teachers, law enforcement, EMTs, and firefighters. These loans and programs offer perks like reduced fees, down payment assistance, or exclusive rates.

 [Profession Programs](#)

CONVENTIONAL FLEX LOANS

HomeReady® and Home Possible® are conventional mortgages from Fannie Mae and Freddie Mac for first-time and moderate-income buyers. They offer 3% down, reduced PMI, and allow gift funds or down payment assistance.

 [Home Possible](#)

 [HomeReady](#)

What is FANNIE MAE & FREDDIE MAC?

Fannie Mae and Freddie Mac are informal names for the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. These government sponsored enterprises are publicly traded companies but they operate under federal oversight. After you close on a home loan, your lender may sell your mortgage to Fannie Mae or Freddie Mac. Doing this frees up the lender's assets so they can continuously offer new home loans to new buyers.

 [Fannie Mae](#)

 [Freddie Mac](#)