



A Buyer's Guide to Home Loans



Buying a home starts with choosing the right loan. Below is a simple, buyer-friendly overview of the most common mortgage options, what they're best for, and key things to consider.

Conventional Loans

Best for: Buyers with solid credit and stable income

What it is: A mortgage not backed by the federal government.

Key features:

- Down payment as low as **3%** (often higher for best terms)
- Private Mortgage Insurance (PMI) required if under 20% down
- Competitive interest rates for strong borrowers

Pros:

- Flexible terms
- Can remove PMI later

Things to consider:

- Higher credit score requirements
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US FHA Loans (Federal Housing Administration)

Best for: First-time buyers or those with lower credit scores

What it is: A government-backed loan designed to make homeownership more accessible.

Key features:

- Down payment as low as **3.5%**
- More flexible credit guidelines
- Mortgage insurance required for the life of the loan in most cases

Pros:

- Easier qualification
- Lower upfront costs

Things to consider:

- Ongoing mortgage insurance adds to monthly cost
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🏠 VA Loans (Veterans Affairs)

Best for: Eligible veterans, active-duty service members, and some spouses

What it is: A government-backed loan for military-connected buyers.

Key features:

- **No down payment required**
- No monthly mortgage insurance
- Competitive interest rates

Pros:

- Lower monthly payments
- Excellent long-term value

Things to consider:

- Must meet VA eligibility requirements
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🌾 USDA Loans (U.S. Department of Agriculture)

Best for: Buyers purchasing in eligible rural or suburban areas

What it is: A government-backed loan promoting rural homeownership.

Key features:

- **No down payment required**
- Income limits apply
- Lower mortgage insurance than FHA

Pros:

- Very affordable option
- Low interest rates

Things to consider:

- Property location must qualify
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 **Adjustable-Rate Mortgages (ARM)**

Best for: Buyers planning to move or refinance within a few years

What it is: A loan with a fixed rate for an initial period, then adjusts periodically.

Key features:

- Lower initial interest rate
- Rate can increase or decrease later

Pros:

- Lower early payments

Things to consider:

- Future payments may rise
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Construction & Renovation Loans

Best for: Buyers building a home or renovating after purchase

What it is: A loan that covers construction or renovation costs.

Key features:

- Funds released in stages
- Often convert to a permanent mortgage

Pros:

- One loan instead of two

Things to consider:

- More documentation required
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 **Choosing the Right Loan**

The best loan depends on:

- Credit score
- Down payment amount
- Property type and location
- Long-term goals

A trusted **mortgage professional** can compare options and help you choose what fits your situation best.

Ready to Take the Next Step?

At ERA Liberty Realty and Link'd Properties, we believe informed buyers make confident decisions. We're happy to connect you with trusted local mortgage professionals and help you compare loan options that fit your goals.

This guide is for educational purposes only. Loan terms, rates, and eligibility vary by lender.