

FHA 203(K) (FEDERAL HOUSING ADMINISTRATION)

Loan Fact Sheet



WHAT IS A FHA 203(K) LOAN?

FHA loans are insured by the Federal Housing Administration (FHA) and are easier to qualify for compared to other mortgage loans. With flexible guidelines and credit qualifications, these loans are ideal for first-time homebuyers, families with low to moderate incomes, and buyers with lower credit scores or higher debt-to-income ratios.

The FHA 203(k) is a renovation loan that wraps renovation and purchase, or renovation and refinancing, costs into one mortgage. There are two options for the 203(k): Limited and Standard. The type of improvements and overall cost determines what option a borrower will need.

Once the loan has closed, work must begin within 30 days and completed within six months. In some instances mortgage insurance and/or a HUD consultant may be required. A HUD consultant can assist with a feasibility study to determine required renovations, as well as the overall feasibility of the project.

To learn more about the FHA 203(k) renovation loan, **give me a call!**

LIMITED

- Non-structural work under \$35,000
- Kitchen remodeling including new appliances
- Exterior and interior paint
- Basement waterproofing (non-structural)
- New flooring (carpet, tile, laminate)
- Septic system and well repair or replacement
- Window and door replacement

STANDARD

- Major renovations like structure work or projects more than \$35,000
- Move a load-bearing wall to open up a floor plan
- Termite damage repair like replacing the sill plate
- Basement waterproofing (structural)
- Major landscaping issues like correction of grading
- Sidewalk or driveway repair (health & safety)
- Finish an attic



Jeremy Drobeck
Mortgage Consultant
NMLS #130817 LO.026916.000; 130817

(269) 598-3975
269-324-4240 x10132
jdrobeck@amerifirst.com

950 Trade Centre Way
Suite 120
Portage, MI 49002
www.1stclassmortgageservice.com

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