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**Mortgage Tidbits**

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**Keeping you informed and in the know….**

**So, you need another FHA Insured Loan? Let’s talk!**

Typically speaking, FHA does not insure more than one loan at a time, however there are a few instances where the agency allows more than one loan! Here’s the exceptions:

**Relocation:** If a borrower is relocating due to employment and moving more than 100 miles away from their current residence, they may be eligible for another FHA loan.

**Family Size:** An increase in family size may make borrowers eligible for a second FHA insured loan provided that:

* The current property now fails to meet the family needs as the borrower’s dependents has increased
* The LTV on the current residence is 75% or less

**Vacating Jointly Owned Property:** If the borrower is vacating a principal residence and has no intent to return, they may be eligible for a second FHA insured loan provided that an existing co-borrower occupies the retained property.

**Non-Occupying Co-Borrower:** Fear not, if you are a non-occupying co-borrower on an existing FHA loan, you may qualify for a loan of your own!

Under no circumstances may investors use the exceptions described above to circumvent FHA’s ban on loans to private investors and acquire rental properties through purportedly purchasing “principal residences”. Documentation must be provided to prove to the underwriter the details provided are true and accurate!

Considerations in determining the eligibility of a borrower for one of these exceptions are the length of time the previous property was owned by the borrower and the circumstances that compel the borrower to purchase another residence with an FHA-insured mortgage. In all other cases, the purchasing borrower either must pay off the FHA-insured mortgage on the previous residence or terminate ownership of that property before acquiring another FHA-insured mortgage

**Call us today for the best answers to the mortgage questions!**

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