

# CULTURE MORTGAGE

## **Are there any differences between FHA and VA loans?**

Yes, there are major differences between FHA and VA loans. FHA stands for the Federal Housing Administration and is available to anyone as long as they meet income guidelines, and the property if FHA approved. VA however is the Veterans Administration, and VA loans are only available to veterans or people currently serving in the armed forces. Moreover there is no income restrictions for VA and homes do not have to be VA approved (they must be FHA approved if you go that route), they simply have to meet VA appraisal requirements.

This is not where the differences stop. Other differences include Loan to Value restriction differences - FHA will allow 96.5% financing while VA will still allow 100%. In addition there is no mortgage insurance associated with high LTV loans under the VA. Their guarantee policy is different and does not require mortgage insurance when a borrow goes over 80% LTV, which FHA does require.

I recommend the following to websites to continue research on differences between FHA and VA loans. Both have funding fees associated with them that can be rolled into the loan amount without the fee counting against your loan to value.

Official FHA website: [www.hud.gov](http://www.hud.gov)

Official VA website: [www.homeloans.va.gov](http://www.homeloans.va.gov)

In my professional opinion if you have the option between these two programs, VA is the way to go, no two ways about it.

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