



**Euro Mortgage**  
Bankers, Inc.

### What are qualifying guidelines for an FHA loan?

- FICO down to 580 OK
- 2 years after chapter 7 bankruptcy, no time after chapter 13
- 3years after foreclosure
- Judgments or collections must be paid off
- Must have income
- Down payment can be a gift
- 3.5% minimum down payment

### Can a borrower have more than one FHA loan?

Yes, under the following circumstances:

The existing FHA loan must be on the current primary residence, the new property must be the borrower's new primary, the loan-to-value ratio on the existing loan must be 75% or less (may need a drive by appraisal), the borrower must be moving to a larger home, or if the borrower is being relocated for work or if the borrower co-signed for someone else and they were listed as a non-occupying co-borrower.

### What do I need to know about FHA appraisal?

FHA appraisers do a different type of appraisal for conventional loans. They are concerned with the health and safety of the borrowers. They look at the standard things that all appraisers look at for value, and they take it a little further. FHA is not only concerned with the property value but is also concerned with broken windows, lack of screens, evidence of rodent infestation and other issues that don't affect a normal appraisal to the same degree. If the house was built before 1978 and may have the potential for lead based paint, then the FHA appraiser looks for peeling paint. The bedrooms need to have egress in case of a fire, the windows have to work and if there are burglar bars they need to have the code approved methods of opening them from the inside. They want to see smoke detectors. The FHA appraiser needs to see window screens if there isn't central air conditioning. They look at the remaining life of the roof and the furnace and hot water heaters and want to see a stove in the kitchen. The utilities have to be on during the appraisal and they check that the various components are working. The appraiser looks for evidence of environmental contaminants like asbestos and mold. The FHA appraiser looks for earth to wood contact and for evidence of termites.

## F. H. A. F. A. Q.



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