

# 100% Financing, Zero Down Payment Kentucky Mortgage Home Loans for Kentucky First time Home Buyers

*Kentucky First Time Home Buyer Programs for 2017*

LOUISVILLE, KENTUCKY, UNITED STATES, March 4, 2017 /EINPresswire.com/ -- There are basically 5 popular 2017 Kentucky Home Buyer programs that Kentucky Home buyers use to purchase their first home.

## Conventional Loan

- At least 3%-5% down
- Closing costs will vary on which rate you choose and the lender. Typically the higher the rate, the lesser closing costs due to the lender giving you a lender credit back at closing for over par pricing. Also, called a no closing costs option. You have to weigh the pros and cons to see if it makes sense to forgo the lower rate and lower monthly payment for the higher rate and less closing costs.

Fico scores needed start at 620, but most conventional lenders will want a higher score to qualify for the 3-5% minimum down payment requirements Most buyers using this loan have high credit scores (over 720) and at least 5% down.

The rates are a little higher compared to FHA, VA, or USDA loan but the mortgage insurance is not for life of a loan and can be rolled off when you reach 80% equity position in the home.

Conventional loans require 4-7 years removed from Bankruptcy and foreclosure.

Max Conventional loan limits are set at \$424,00 for 2017 in Kentucky



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**100% Purchase Financing  
Guaranteed Loan Program**

**- Single Family Housing-**

**THE USDA MORTGAGE IS NOT FOR FARMERS**

**THIS IS A QUALIFYING MORTGAGE FOR FAMILIES WHO WANT  
TO BUY A HOME BUT SIMPLY DON'T HAVE THE DOWN PAYMENT  
FOR MORE INFORMATION CALL**



## [Kentucky USDA Rural Housing Program](#)

If you meet income eligibility requirements and are looking to settle in a rural area, you might qualify for the KY USDA Rural Housing program. The program guarantees qualifying loans, reducing lenders' risk and encouraging them to offer buyers 100% loans.

That means Kentucky home buyers don't have to put any money down, and even the "upfront fee" (a closing cost for this type of loan) can be rolled into the financing.

Fico scores usually wanted for this program center around 620 range, with most lenders wanting a 640 score so they can obtain an automated approval through GUS. GUS stands for the Guaranteed Underwriting system, and it will dictate your max loan pre-approval based on your income, credit scores, debt to income ratio and assets.

They also allow for a manual underwrite, which states that the max house payment ratios are set at 29% and 41% respectively of your income.

They loan requires no down payment, and the current mortgage insurance is 1% upfront, called a funding fee, and .35% annually for the monthly mi payment. Since they recently reduced their mi requirements, USDA is one of the best options out there for home buyers looking to buy in a rural area.

A rural area typically will be any area outside the major cities of Louisville, Lexington, Paducah, Bowling Green, Richmond, Frankfort, and parts of Northern Kentucky.

There is a map link below to see the qualifying areas.

There is also a max household income limits with most cutoff starting at \$76,000 for a family of four, and up to \$98,000 for a family of five or more.

USDA requires 3 years removed from bankruptcy and foreclosure.

There is no max USDA loan limit.

## [Kentucky FHA Loan](#)

FHA loans are good for home buyers with lower credit scores and no much down, or with down payment assistance grants. FHA will allow for grants, gifts, for their 3.5% minimum investment and will go down to a 580 credit score.

The current mortgage insurance requirements are kinda steep when compared to USDA, VA , but the rates are usually good so it can counteract the high mi premiums. As I tell borrowers, you will not have the loan for 30 years, so don't worry too much about the mi premiums.

The mi premiums are for life of loan like USDA.

FHA requires 2 years removed from bankruptcy and 3 years removed from foreclosure.



We proudly offer  
FHA, VA,  
Conventional,  
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Home Loans.

Maximum FHA loan limits in Kentucky are set around \$285,000 and below.

## Kentucky VA Loan

VA loans are for veterans and active duty military personnel. The loan requires no down payment and no monthly mi premiums, saving you on the monthly payment. It does have a funding fee like USDA, but it is higher starting at 2% for first-time use, and 3% for second-time use. The funding fee is financed into the loan, so it is not something you have to pay upfront out of pocket.

VA loans can be made anywhere, unlike the USDA restrictions, and there is no income household limit and the max loan is \$417,000 in Kentucky

Most VA lenders I work with will want a 620 credit score.

VA requires 2 years removed from bankruptcy or foreclosure.

## [Kentucky Down Payment Assistance](#)

This type of loan is administered by KHC in the state of Kentucky. They typically have \$4500 to \$6000 down payment assistance year around, that is in the form of a second mortgage that you pay back over 10 years.

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