Types of mortgages

When you are shopping for a new house, you can pick many things out such as a new carpet or how you want to decorate your bedroom. One thing you want to make sure you pick right; is the type of mortgage you get on your new home. It can be confusing but Mr. Cooper has you covered; with over 25 years in the business and over 3.5 million customers, Mr. Cooper can help you with home financing in many different ways.

**Fha**

An FHA loan is a mortgage insured by the Federal Housing Administration and is a very popular home loan choice. This type of financing is designed for people with less than perfect finances and credit score. All you need to qualify for one of these loans is a 580-credit score and 3.5% down payment. If this type of loan fits your situation, Mr. Cooper is a no brainer, with some of the lowest requirements in the industry, along with several discounts including one for closing on time, what could be holding you back? Call one of their professionals today and you will not regret it.

The FHA loan also allows for a higher DTI(Debt-to-income) ratio of 43% which makes it the easiest to qualify for most potential homebuyers. Fha loans also do not come with income limits.

There are a few drawbacks to this finance option however, including the limited home purchase price. Other restrictions include only being able to purchase a primary home with this type of loan, and you will also have to pay mortgage insurance for the entire lifetime of the loan.

**Conventional**

A conventional loan is a loan not insured by the federal government. Conventional loans don’t need as much paperwork as an FHA loan, and if your down payment is more than 20% you won’t need to have mortgage insurance. The finances needed for a conventional loan are higher than a FHA loan, because it requires at least a 5% down payment, and a 620-credit score.

Conventional loans tend to be more flexible with the time range of the loan as well as the down payment, which is helpful. Conventional loans also allow you more flexibility in choosing the house you want to purchase. More lenders like this option as well, because not all homes or neighborhoods are FHA eligible.

Conventional loans on the other hands have tighter restrictions for it, which make it harder to qualify for. Conventional loans also have higher credit requirements than FHA loans. Lastly, conventional loans have a price limit on the property.

**FHA streamline**

This mortgage is designed for people who already have an FHA loan and is a refinancing option. It offers a quicker process than the original FHA and document requirements are also simpler.

This type of loan is a unique type of loan because it’s designed for people who already have an FHA loan. Its main purpose is to lower monthly costs of the home loan. This refinance option does carry fees as does any financing so keep that in mind when weighing out this option. If you let a professional from Mr. Cooper walk through the process with you, they can take care of all your concerns.

**VA**

If you are a veteran, active-duty service member, or the surviving spouse of a veteran, you are eligible for a VA loan. VA loans have the lowest requirements overall, with no set credit score requirement, and some applicants able to purchase with 0% down! If that does not sound good enough, this loan also does not require monthly insurance payments.

This loan is unique in that it has the lowest requirements, and also is a good option if you exceed those requirements. There are other little benefits included in this loan, and there are more than enough qualified people at Mr. Cooper to speak with you about this option if its available to you. All of Mr. Cooper’s workforce is U.S. based, and as the recipient of the 2020 Diversity and Inclusion Residential Leadership Award, they have people off all sorts who can assist you in the finer details.

**Jumbo loan**

The “big boy” of home financing, jumbo loans allow you to purchase properties that exceed conventional loan price limits. These types of loans are for high-end home purchases and cannot be insured by Fannie or Freddie Mae.

The biggest benefit of the jumbo loan is that is allows you to get more money via the loan to purchase, hence the name “jumbo.” They also require lower down payments to qualify for.

Jumbo loans do have some drawbacks as well. Jumbo loans have higher credit score requirements, starting at 660. You will also need to have a strong income to show that you can afford the payments, as well as reserves to afford anywhere from 6 to 12 months of payments. With over 3.5 million customer, Mr. Cooper has a broad range of clients, and can help you nail down the list to be able to qualify for this loan. What are you waiting for?

The best part about these home loans is that all of these are available on Mr. Cooper’s website. In addition, the recent pandemic has made life challenging in general, the homebuying process not being an exception. Under the leadership of CDO Neenu Kainth, Mr. Cooper was able to service their customers forbearance issues within 48 hours with a brand-new solution for the major wave of panicked homeowners. Not only does this show the attention to customer care, but also the company’s responsiveness to critical issues even during a crisis. Mr. Cooper ranks in the top fifteen in all categories of home loan originators, including First-time homebuyer experience, so if this is your first time, Mr. Cooper knows exactly how to guide you. If you have read this article and still need a little help choosing a financing option, no worries! Contact a professional from Mr. Cooper today, and let them do the heavy lifting for you!