

The Conventional 100 Mortgage For First-Time Home Buyers

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The Conventional 100 mortgage is a no-money-down down payment assistance program for U.S. home buyers. It's available to first-time home buyers in partnership with Homebuyer.com.

The Conventional 100 gives access to 100% financing, reduced mortgage insurance rates, and generous approval standards. It's also a true mortgage – the Conventional 100 is neither a cash grant, a first-time home buyer tax credit, nor a bill awaiting approval like the [\\$25,000 Downpayment Toward Equity Act](#).

Renters can use the Conventional 100 to buy their first home faster with less money out-of-pocket.

This article reviews the Homebuyer.com Conventional 100 mortgage program and how you can apply to buy your first home with no money down.

[Click here to get started on your approval.](#)

Conventional 100: Eligibility Requirements For First-Time Home Buyers

The Homebuyer.com Conventional 100 mortgage requires home buyers to meet up to nine requirements for their mortgage pre-approval.

1. You must be a first-time home buyer

The Conventional 100 is a home affordability mortgage for first-time home buyers, which includes all buyers who have not owned a home in the three years before closing. [Displaced homemakers](#) and single parents with no prior ownership except while as a spouse also qualify as first-time home buyers.

2. You must occupy the home you're buying

The Conventional 100 mortgage is for primary residences only. Buyers cannot use the Conventional 100 to purchase a vacation home, short-term rental, or other investment property type.

Co-signers are allowed with a Conventional 100 mortgage, and at least one person on the

mortgage application must move into the property within 60 days of settlement.

3. The home must be a 1-unit property

The Conventional 100 mortgage is for one-unit homes only. Renters may use the Conventional 100 to purchase a detached single-family home or an attached single-family home which includes townhomes, condos, and rowhomes.

Homes in planned neighborhoods with a homeowners association are permitted under the Conventional 100 guidelines, along with single-family homes with a properly-zoned accessory dwelling unit (ADU).

Multi-unit homes, manufactured homes, mobile homes, and co-op properties are ineligible.

4. Your mortgage loan size must be within local mortgage loan limits

The Conventional 100 mortgage is built on conventional mortgage guidelines, which include county-specific loan size limitations. Conventional 100 loan sizes must fall within your local conforming [mortgage loan limits](#).

5. Your income may not exceed the area median income by more than 40%

The Conventional 100 mortgage program limits home buyer household income to 140 percent of the area median income (AMI). All sources of household income are considered under the program, including:

- Full- and part-time wage income from one or multiple jobs
- Tips, bonuses, and commissions
- Child support, maintenance, and alimony payments
- Social security payments
- Dividend payments and other investment income

Home buyers whose household income exceeds Conventional 100 maximums can consider other low- and no-down mortgages, such as the Conventional 97 mortgage and the [FHA 3.5%](#) down payment mortgage, which do not enforce a maximum household income.

6. You must have a 660 credit score or higher

The Conventional 100 mortgage requires home buyers to carry a 660 credit score or higher.

The program relies upon the FICO credit scoring system, which [ignores medical debt and collections](#). Non-traditional credit sources such as rental payment history and utility payments are not considered.

Home buyers whose credit rating fails to meet Conventional 100 standards should consider an

FHA mortgage or another [low-downpayment mortgage for first-time home buyers](#) with more forgiving credit score standards.

7. You must be a U.S. citizen or permanent resident alien

The Conventional 100 mortgage program is limited to U.S. citizens and lawful United States residents, including permanent resident aliens and non-permanent qualified aliens. The program also allows trust closings for trusts where the beneficiaries meet program residency standards.

Closing in an LLC is not allowed.

8. You must complete an online homeownership education class

First-time home buyers must complete a certified homeownership education course for their Conventional 100 mortgage approval.

Two popular homeownership education courses are Fannie Mae's [HomeView](#) and Freddie Mac's [Credit Smart](#). Both are no-cost, online options. Many buyers complete their online education class in 2 hours or less.

9. The home must be in an eligible Conventional 100 location

As of September 6, 2023, The Conventional 100 is available in thirty states. Homes in other states and properties outside the United States in a Territory, Province, or Commonwealth, including Puerto Rico, Guam, and the Virgin Islands, are ineligible.

Home buyers in non-eligible states should consider different low- and no-downpayment programs for first-time buyers, including the [100% USDA mortgage](#) and VA mortgage.

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The Conventional 100 Is A Home Affordability Mortgage

The Conventional 100 is a home affordability mortgage program for first-time home buyers.

The mortgage makes the American Dream of homeownership more attainable through a combination of:

1. No-money-down mortgages
2. Discounted mortgage rates

3. Discounted mortgage insurance premiums.

The no-money-down portion of the Conventional 100 is fulfilled using two mortgage liens – one for ninety-seven percent of the home purchase price and one for the remaining three percent of the purchase price plus an additional one percent for closing costs.

The program also offers discounted mortgage rates.

As of September 6, 2023, the Conventional 100 mortgage rate discount is credit-score based. Buyers with lower-range credit scores receive a 0.25 percentage point interest rate discount over comparable 30-year fixed-rate mortgages, and buyers with higher-range credit scores receive a 0.75 percentage point discount.

Lastly, the Conventional 100 discounts private mortgage insurance (PMI) rates.

Eligible home buyers save up to \$700 per \$100,000 borrowed annually, and PMI is removed when the home's equity reaches 20 percent.

[For today's mortgage rates, get pre-approved.](#)

Compare Conventional 100 to HomeReady & Home Possible?

The Conventional 100 is a first-time home buyer loan based on conventional 30-year fixed-rate mortgage guidelines. It's similar to the HomeReady and Home Possible programs from Fannie Mae and Freddie Mac, respectively, with a few key differences.

The most notable difference between the Conventional 100 and the HomeReady and Home Possible programs is that the Conventional 100 doesn't require buyers to make a down payment. It also lets buyers finance up to four percent of the purchase price for closing costs and settlement fees.

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[Click to get a Conventional 100 mortgage approval.](#)

Alternatives to the Conventional 100 Mortgage Program

The Conventional 100 is a zero-down mortgage for first-time buyers. However, not all first-time home buyers will be eligible.

The Conventional 100 requires renters to meet program guidelines with checklist items such as:

- Household income qualifications
- Credit score minimums
- Occupancy standards

It also places standards on subject properties, including home type and location.

If the Conventional 100 is unavailable to you, here are other low- and no-down payment mortgage options available to first-time home buyers:

1. [HomeReady](#): A 3% down payment mortgage program backed by Fannie Mae. HomeReady is ideal for home buyers with low- or moderate-income and average or below-average credit scores.
2. [Home Possible](#): A 3% down payment mortgage program backed by Freddie Mac. Home Possible is similar to HomeReady but applies different credit scores and household income standards.
3. [Conventional 97](#): A 3% down payment mortgage for single-unit homes backed by Fannie Mae and Freddie Mac. Conventional 97 is often best for buyers with above-average credit scores and household income.
4. [FHA mortgage](#): A 3.5% down payment mortgage backed by the Federal Housing Administration. FHA mortgages work well for buyers with lower credit scores and buyers who want to purchase a multi-unit home.
5. [USDA mortgage](#): A 100% mortgage backed by the U.S. Department of Agriculture. USDA mortgages are available in low-density areas for buyers with modest incomes and average credit scores.
6. [VA mortgage](#): A 100% mortgage backed by the Department of Veterans Affairs. VA loans are available to active military members, veterans, and their surviving spouses. Average credit scores are required.
7. [HomePath](#): A low down payment program by Fannie Mae for buyers interested in foreclosed and repossessed homes.

First-time buyers may also qualify for federal home buyer tax credits and local down payment assistance. [Get pre-approved to check your eligibility.](#)

Conventional 100 FAQ

How do I apply for a Conventional 100 mortgage?

Apply for the Conventional 100 mortgage on the [Homebuyer.com mortgage site](#).

What is the minimum credit score for Conventional 100?

The Conventional 100 requires a 660 minimum credit score using the FICO scoring system. Alternative tradelines are not allowed.

Does Conventional 100 allow non-occupant co-borrowers?

Yes, home buyers can add other people to their Conventional 100 mortgage application, such as parents or relatives, who are financially able to assist with the mortgage but will not live in the home.

Do I need a signed lease to use income from an ADU?

No, signed leases aren't required to claim income from an ADU. However, without a signed lease, the assigned rent value may be too low to qualify for your loan.

What is the minimum down payment for Conventional 100?

There is no down payment requirement for the Conventional 100 mortgage.

Is Conventional 100 for first-time home buyers only?

Yes, the Conventional 100 mortgage is available for first-time home buyers only.

Can I make a downpayment using gift funds for a Conventional 100 mortgage?

Yes, Conventional 100 mortgage guidelines allow cash gifts for a down payment.

Can I purchase a multi-unit home using Conventional 100?

No, the Conventional 100 is for single-family homes, which include detached homes, condominiums, townhomes, and rowhomes.

Can I use the Conventional 100 mortgage for community land trusts?

No, community land trusts are ineligible for the Conventional 100 mortgage program.

Can I use an adjustable-rate mortgage with Conventional 100?

No, [adjustable-rate mortgages](#) are unavailable for the Conventional 100 home loan.

Where do I get Conventional 100 homeownership education and counseling?

Fannie Mae offers free, qualifying homeownership education through its [HomeView](#) website.

What are today's Conventional 100 mortgage rates?

Conventional 100 mortgage rates are available as part of a 3-minute pre-approval. [Get your mortgage rate quote now.](#)