

2023 REALTOR® REFERENCE GUIDE

2023 LOAN LIMITS

Loan Type	Conforming Limits	High Balance Limits
Conventional	\$726,200	\$1,089,300
FHA	\$472,030 [†]	\$1,089,300 [†]
VA	\$1,500,000 ^{††}	
USDA	No Limit	

All loan limits listed are for 1-unit properties only.
[†] FHA loan limits vary by county. Some county loan limits may be higher. Contact your mortgage consultant for details.
^{††} VA allows up to \$1.5 million for VA borrowers with full eligibility.

Closing Costs vs. Prepaids

Closing costs are paid by borrowers in connection with the closing of a mortgage loan. This may include an origination charge, discount points, and fees required for third party services, taxes and government recording fees.

Prepaids are costs related to a mortgage loan which are also collected at closing, including per diem interest and initial deposits of monthly escrows of taxes and insurance.

VA FUNDING FEES (PURCHASES)

Military Service	Down Payment	First-Time Use	Subsequent Use
Active Duty** [†] , Reserves, & National Guard	None	2.30%	3.60% *
	5% or more	1.65%	1.65%
	10% or more	1.40%	1.40%

Contact us for a list of borrowers who may be exempt from paying the funding fee.
^{*} If the Veteran's only prior use of entitlement was for a manufactured home loan, the higher subsequent use fee does not apply.
^{**} Active service includes Reserves and National Guard ordered to active service that meets the eligibility requirements for their era of service. Active service does NOT include active duty for training or Active Guard Reserve.

THE VA HOME LOAN ADVANTAGE

We proudly salute the commitment of servicemembers, veterans, and military families who have supported and defended our nation.

With many veterans in need of housing within the communities we serve, we offer not only the advantages of a VA home loan, but also additional incentives to help lower the cost of purchasing a home:

- ★ **loan origination fee** (up to \$1,395 value) through Prosperity Home Mortgage, LLC
- ★ **lender credit toward appraisal**¹ (up to \$800 value)

COMMON MORTGAGE TERMS

Closing Disclosure – A form used at closing that provides a statement of final loan terms, projected payments, closing costs and a summary of the transaction.

Loan Estimate – A form provided when applying for a home loan that outlines the terms, projected payments, and estimated closing costs of the loan.

Loan-To-Value (LTV) – The ratio between the amount of a given mortgage loan and the lower of sales price or appraised value.

Mortgage Insurance Premium (MIP) – The consideration paid by a mortgagor (borrower) for mortgage insurance – either to the FHA or to a private mortgage insurer.

Re-Casting a Loan – Allows eligible clients to 're-cast' or 're-amortize' their mortgage after making a large payment toward the principal balance. This can lower their monthly mortgage payment because they will retain the existing loan term and interest rate.

LOW & NO MONEY DOWN LOAN OPTIONS

USDA – No Money Down
 VA – No Money Down
 Conventional – 3% Down¹
 HomeReady – 3% Down
 FHA – 3.5% Down
 Jumbo – 5% Down

All products listed are for primary residence financing only. Low down payment options may not be the best option for all borrowers.

¹ Borrowers must meet first-time home buyer requirements.

Appraisal Requirements

Conventional	Expires after 120 days
FHA	Expires after 120 days
HELOC	Expires after 90 days
USDA	Expires after 120 days
VA	Expires after 182 days

DEROGATORY CREDIT EVENT WAITING PERIODS

Credit Event	Conventional		FHA		VA		USDA	
	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances
Bankruptcy Ch. 7	4 years	2 years	2 years	12 months	2 years	12 months	3 years	12 months
Bankruptcy Ch. 13	DC: 2 years DISM: 4 years	DC: 2 years DISM: 2 years	12 months under bankruptcy pay-out		12 months under bankruptcy pay-out		12 months under bankruptcy pay-out	
Foreclosure	7 years	3 years	3 years	12 months	2 years	12 months	3 years	12 months
Deed-In-Lieu	4 years	2 years	3 years	12 months	2 years	12 months	3 years	12 months
Short Sale	4 years	2 years	3 years	12 months	No waiting period		3 years	12 months

DC = Derogatory Credit; DISM = Dismissal Date

BUYER ADVANTAGE[®]

Stand out in today's real estate; ask about the **Buyer Advantage[®]**?

By electing to participate, clients can get much of the home financing process out of the way and obtain a Commitment Letter before beginning to search for a home.

What are the benefits?

- **Complimentary** – Choosing to participate costs nothing additional.
- **Distinguished** – A Commitment Letter can set a client's home purchase offer apart from other offers a seller may be considering.
- **Smooth** – With much of the home financing process completed up-front, additional requirements or conditions can be identified to help prevent last-minute issues.
- **Flexible** – Clients may have the option of being more flexible with their closing date and also help ensure an on-time closing.

Pre-Qualification

VS

Preliminary Approval³

A pre-qualification simply estimates how much you may be able to borrow to buy a home based on unverified information you provide to your mortgage consultant. This step can help you determine a price range with which you are comfortable but may not be accepted by home sellers when submitted with a purchase offer.

A preliminary approval, or pre-approval, estimates how much you may be able to borrow to buy a home based on a preliminary review of your credit information and your verified income and assets. A preliminary approval letter shows home sellers that you are a serious buyer, which can elevate your home buying status and strengthen your home purchase offer.³

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MAXIMUM SELLER CONTRIBUTION

Property Type	Down Payment	Allowable Seller Paid Costs
Conventional Loans		
Primary or Secondary Home	<10% Down	3.0%
	10%–25% Down	6.0%
	>25% Down	9.0%
Investment	≥20% Down	2.0%
FHA Loans		
Primary	3.5% Down	6.0%
VA Loans		
Primary	0% Down	4.0% excluding normal discount points & borrower's closing costs
USDA Loans		
Primary	0% Down	6.0%

CONVENTIONAL MORTGAGE INSURANCE (MI)

- + Monthly, Annual, & Single Premium Plans
- + Lender & Borrower Paid Options Available

FHA MORTGAGE INSURANCE

(Base loan amount less than or equal to \$625,500)

- + 1.75% upfront
- + 0.85% annually if LTV is greater than 95%
- + 0.80% annually if LTV is 90% or less

FHA MORTGAGE INSURANCE

(Base loan amount greater than \$625,500)

- + 1.75% upfront
- + 1.05% annually if LTV is greater than 95%
- + 1.00% annually if LTV is 90% or less

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1. Borrowers are eligible for a lender credit toward closing costs on the Closing Disclosure on a new purchase, secured by a first mortgage or deed of trust (New Loan), subject to qualification, approval and closing with Prosperity Home Mortgage, LLC. Loan must close within 90 days from the date of loan application. Lender credit may not exceed \$800.00 for appraisal and will be applied against the cost of the first appraisal only. No credit will be provided for additional appraisals, if required. This offer must be presented at time of application and all eligibility requirements met no later than 2 days prior to the New Loan closing date. This lender credit is void where prohibited and is non-transferable, subject to the terms herein, and valid on all complete applications received on or before 12/31/2023.

2. **Buyer Advantage[®]** is not a final loan approval. A Commitment Letter is based on information and documentation provided by you and a review of your credit report. The interest rate and type of mortgage used to approve you for a specified loan amount is subject to change, which may also change the terms of approval. If the interest rate used for credit approval has changed, you may need to re-qualify. Information provided by you is subject to review and all other loan conditions must be met. After you have chosen a home and your offer has been accepted, final loan approval will be contingent upon obtaining an acceptable appraisal and title commitment. Additional documentation may be required.

3. A preliminary approval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. Preliminary approvals are subject to change or cancellation if a requested loan no longer meets applicable regulatory requirements. Preliminary approvals are not available on all products. See a mortgage consultant for details.