Mortgage Manfro
Homeownership starts today

YOUR HOME. YOUR FUTURE. YOUR PLAN.

MORTGAGE MANFRO

THE

FHA HOME BUYER KIT

Buy with confidence.
Know your options. Get prepared.

A clear, practical guide to FHA benefits, qualification, mortgage insurance, and getting pre-approved.



TIM MANFRO
Your Mortgage Manfro

01
FHA BASICS

02
THE REAL COST

03
PRE-APPROVAL

01 / START HERE

THE FHA ADVANTAGE

Low down payment does not have to mean a limited homebuying plan.

An **FHA loan** is a mortgage made by a participating lender and insured by the Federal Housing Administration. It can make buying a home more accessible - but you still need income, credit, funds, and a home that qualify.

3.5% MINIMUM DOWN

For eligible borrowers with credit scores of 580+.
$17,500 down on a $500,000 home.

NOT JUST FIRST-TIME BUYERS

You can use FHA even if you have owned a home before, as long as the new loan and occupancy meet the rules.

WHY BUYERS LOOK AT FHA

1 MORE CREDIT FLEXIBILITY

FHA can work for some buyers with past credit challenges. Your full history and lender standards still matter.

2 GIFTS CAN HELP

Eligible family gifts or assistance programs may help with down payment and closing costs. Proof of the source is required.

3 MORE HOME TYPES

Eligible single-family homes, qualifying condos, and 2-4 units. You generally live there; county loan limits apply.

4 NO GENERAL FHA INCOME CAP

FHA does not generally impose a maximum buyer income. Your income still must support the payment and debts.

THE IMPORTANT DIFFERENCE

3.5% down is **not** 3.5% total cash to close. There are closing costs, prepaid taxes and insurance, and FHA mortgage insurance. We will review the full number with you.

02 / QUALIFICATION

HOW FHA APPROVAL WORKS

It is about the whole financial picture - not just one credit score.

THE CREDIT-SCORE BASICS

580+ May be eligible for **3.5% down**, with lender approval.

500-579 Generally requires at least **10% down**; many lenders require higher scores.

Below 500: not eligible under standard FHA purchase credit rules.

WHAT YOUR LOAN TEAM REVIEWS

1 CREDIT & PAYMENT HISTORY

On-time payments, current debts, credit disputes, prior major events, and overall stability. FHA minimums do not guarantee lender approval.

2 DOCUMENTED INCOME

Wages, overtime, bonuses, self-employment, retirement, and other qualifying income are reviewed for history and likely continuation.

3 YOUR MONTHLY DEBTS

Student loans, auto loans, cards, support obligations, and your projected housing costs all affect debt-to-income (DTI).

4 DOWN PAYMENT & RESERVES

We verify bank funds, allowed gifts, assistance, earnest money, and the amount needed at closing. Large deposits may need explanations.

WHAT ABOUT DEBT-TO-INCOME?

There is no single FHA DTI percentage that guarantees an approval or a denial. **Manual underwriting** often starts at 31% housing / 43% total debt, with qualifying exceptions; automated underwriting considers more factors. We evaluate your actual file and lender requirements.

Special situations worth discussing early: student loans, self-employment, gift funds, recent job changes, prior bankruptcy, or a non-occupying co-borrower.

03 / THE MONEY

WHAT DOES FHA REALLY COST?

Understand the full cash to close and the full monthly payment.

SAMPLE PURCHASE - FOR EDUCATION ONLY

$500,000 price | 3.5% down | 30-year FHA purchase | Primary residence. No rate or APR is assumed, so no P&I payment is quoted. This is **not** a loan offer.

WHERE THE MONEY GOES	ILLUSTRATIVE AMOUNT
PURCHASE PRICE	**$500,000**
3.5% DOWN PAYMENT	**$17,500**
BASE FHA LOAN	**$482,500**
UPFRONT FHA MIP (1.75%)	**$8,443.75**
IF UPFRONT MIP IS FINANCED	**$490,943.75**

Financing upfront MIP increases your debt and interest. **Full payment** also includes principal + interest, monthly MIP, property taxes, homeowners insurance and any HOA.

UNDERSTAND FHA MORTGAGE INSURANCE

UPFRONT MIP

Generally 1.75% of the base loan on standard FHA purchases. Often added to the mortgage instead of paid in cash.

ANNUAL / MONTHLY MIP

Often **0.55% annually** for a 30-year loan at 3.5% down below the applicable size threshold. Exact rate varies by loan.

SELLER HELP WITH COSTS

Up to **6% of the purchase price** may pay eligible closing costs, prepaids and buydowns - **not** your down payment.

HOW LONG DOES MIP LAST?

At 3.5% down, typically the **loan term**. At 10%+ down, usually **11 years**. Refinancing is an option, not a guarantee.

04 / BE READY

YOUR PRE-APPROVAL CHECKLIST

Gather what you have. You do not need every item to make the first call.

Your first step can be a conversation and a **soft credit review**. We will explain which documents are needed for your specific situation. Use this page as your working checklist.

01 IDENTITY + CREDIT

- [ ] Government-issued photo ID
  All borrowers
- [ ] Social Security number
  Enter through secure application
- [ ] Addresses from past 2 years
- [ ] Rent or current mortgage amount
- [ ] Credit, auto and student loan details
- [ ] Bankruptcy/foreclosure dates, if any

02 INCOME + EMPLOYMENT

- [ ] Most recent 30 days of pay stubs
- [ ] W-2 forms from last 2 years
- [ ] Employment history for 2 years
- [ ] Tax returns if self-employed
- [ ] Pension, benefits or other income
- [ ] Business P&L; / 1099s if needed

03 FUNDS + DOWN PAYMENT

- [ ] Most recent 2 months bank statements
- [ ] Other account or retirement funds
- [ ] Gift donor details, if applicable
- [ ] Large deposit explanation if needed
- [ ] Down-payment assistance details
- [ ] Home purchase budget & timing

04 SPECIAL CIRCUMSTANCES

- [ ] New job, variable pay or job change
- [ ] Self-employment or side business
- [ ] Child support or alimony
- [ ] Property you own or co-own
- [ ] Non-occupying co-borrower
- [ ] Gift funds, assistance or credit events

KEEP YOUR PRE-APPROVAL STRONG

Upload documents securely - never text Social Security numbers or bank statements. **Avoid new credit, unexplained deposits, big transfers, or job changes** without calling us first. A soft credit review may be followed by additional verification or a hard inquiry.

05 / YOUR NEXT MOVE

FROM PRE-APPROVAL TO KEYS

A smart home search starts with a clear loan and property plan.

WHICH HOMES CAN WORK?

SINGLE-FAMILY + TOWNHOMES

Typically eligible for a primary-residence FHA purchase.

CONDOMINIUMS

The project or individual unit must meet applicable FHA approval requirements.

DUPLEX TO FOURPLEX

Occupy one unit; special underwriting rules can apply for 3-4 units.

FIXER-UPPERS

An FHA 203(k) program may help finance eligible repairs and improvements.

Important: FHA appraisals evaluate value and certain property conditions; they are **not a substitute for a home inspection**. Your Realtor helps evaluate homes, negotiate credits, repairs, and offer terms. Some FHA loans may be assumable with approval.

FIVE STEPS. ONE CLEAR PLAN.

1. **LET'S TALK**
   Tell us the area, timing, cash budget and comfortable payment.
2. **SOFT CREDIT + DOCUMENTS**
   Review your profile, gather documents and evaluate FHA vs. conventional.
3. **PERSONAL PRE-APPROVAL**
   Verify the program, price range, full payment and cash to close.
4. **SHOP + WRITE A SMART OFFER**
   Your Realtor checks the property and negotiates terms that fit.
5. **ESCROW TO KEYS**
   Appraisal, final underwriting, disclosures and funding.

LET'S BUILD
YOUR FHA PLAN

SCAN TO START

909-837-8777

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FHA SOURCE GUIDE: HUD Handbook 4000.1 | FHA loan limits | CFPB FHA overview | MIP rules

Educational only (Nov. 14, 2026). Loan limits, premiums, credit, eligibility and pricing depend on current rules and underwriting. Not a commitment to lend.

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