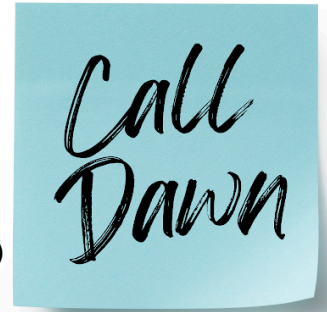




What is an FHA 203(k) Loan?

An FHA 203(k) loan is a type of home loan that lets you combine the cost of buying a house and making repairs or renovations into a single mortgage. If you've found a house that needs some fixing up but you don't have extra cash to do the work, this loan could be the solution. There are two types of FHA 203(k) loans: the Streamline 203(k) and the Full 203(k).



A Little Background

The name "FHA 203(k)" comes from the National Housing Act of 1934. This Act created the Federal Housing Administration (FHA) to help Americans get loans to buy homes. FHA loans are named after different sections of the Act. The standard FHA loan, which is most common for buying homes, is called the FHA 203(b). The 203(k) loan is specially designed for homes that need repairs or renovations.

Two Types of FHA 203(k) Loans

1. **Streamline 203(k):** This is the faster and simpler version of the loan. It's perfect if you're buying a home and only need to do basic renovations. However, it has limits. You can only borrow up to \$32,500 for repairs, and the work must be non-structural (for example, you can't add new rooms or move walls).
2. **Full 203(k):** This version of the loan is more detailed and can cover larger projects. It requires an approved consultant to create a plan and estimate the cost of the work. With the Full 203(k), you're only limited by the maximum FHA loan amounts for your area, and it allows for bigger renovations, including structural changes.

Is the FHA 203(k) Loan Right for You?

If you're interested in buying a home that needs repairs, an FHA 203(k) loan could be a great option. We can help you determine whether it's a good fit for your project, and guide you through the process from start to finish. Feel free to reach out and discuss your options! This loan might just be the key to turning that fixer-upper into your dream home.

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