

Understanding Loan Programs

Six common paths to a mortgage, and who each one is built for.



Conventional

Not government-backed

BEST FOR

Buyers with solid credit and steady income

DOWN PAYMENT

As low as 3% on some programs; 20% avoids mortgage insurance

GOOD TO KNOW

Mortgage insurance on less than 20% down can usually be removed later as your equity grows.

FHA

Government-insured

BEST FOR

Buyers with lower credit scores or smaller savings

DOWN PAYMENT

As low as 3.5% with a qualifying credit score

GOOD TO KNOW

Includes an upfront and an annual mortgage insurance premium. Loan limits apply.

VA

Government-guaranteed

BEST FOR

Eligible veterans, active-duty service members, and some surviving spouses

DOWN PAYMENT

Often \$0 down

GOOD TO KNOW

No monthly mortgage insurance. A one-time funding fee may apply. Requires a Certificate of Eligibility.

USDA

Government-guaranteed

BEST FOR

Moderate-income buyers purchasing in eligible rural and suburban areas

DOWN PAYMENT

Often \$0 down

GOOD TO KNOW

Income limits and property location rules apply. Includes upfront and annual guarantee fees.

DSCR

Investor loan · Non-QM

BEST FOR

Real estate investors buying rental property

DOWN PAYMENT

Typically 20–25% or more

GOOD TO KNOW

Qualifies on the property's rental income, not your personal income or tax returns. Not for a primary residence. Rates are typically higher.

Bank Statement

Self-employed · Non-QM

BEST FOR

Self-employed buyers and others with variable income

DOWN PAYMENT

Often 10–20% or more

GOOD TO KNOW

Qualifies using 12–24 months of bank statements instead of tax returns. Rates are typically higher.

Not sure which program fits you?

A Sullivan Home Loans loan officer can compare your options side by side.

sullivanhomeloans.com

📞 463-271-2444

For general education only. Program availability, eligibility, down payment, credit, and income requirements vary by lender and are subject to change. This is not a commitment to lend. Contact us for current guidelines.

