Credit Supreme Reveals the Minimum Credit Score to Buy a Home

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Credit Supreme - Credit Repair Miami - Fix Credit Fast Miami FL, a credit repair company serving Miami and neighboring areas, has recently published a blog post that explains what is the minimum credit score needed when buying a home. The article points out that most people are frequently surprised by the available low credit home financing options that are available today. This is because most lenders are offering government-based Federal Housing Administration (FHA) and Veterans Affairs (VA) home financing arrangements to people with bad credit scores.

With regards to credit scores, while most financing companies and institutions are willing to accept applications from people with a score of approximately 580, there are also some who can go as low as 500, although they are hard to find. It is important to note that the higher the credit score, the more options are available for home financing. In fact, a score of at least 620 is needed for a conventional low-rate home financing arrangement. And those who have a score higher than 680 can apply for almost any kind of home financing that is available.

It is clear that having a high credit score is beneficial. That is why Credit Supreme is offering a way for people to increase their score. They offer credit repair in Miami Florida through the use of various techniques. For instance, they can help in getting rid of errors in the individual?s credit report with the result that the score will increase. This will be done for the three major credit bureaus.

Meanwhile, in the article, Credit Supreme offers examples of home financing options and their minimum credit score required. For instance, an option is offered by the FHA and the minimum score needed is only 500. This is actually one of the major home financing alternatives that are the most lax when it comes to credit core requirements. It is important to note that those who have a credit score lower than 580 can still qualify for FHA home financing, but the financing will only cover for 90 percent of the home?s selling price. The borrower will need to provide for the remaining 10 percent. Another important advantage of FHA home

financing is that it does not have a loan-level pricing adjustment or risk-based pricing adjustment, which means fees are not assessed for those with bad scores or other ?unwanted? traits.

Another potential home financing alternative for those with low credit scores is the non-qualified home financing. The qualified home financing rule was set in 2014 by the US federal government to ensure safer financing alternatives for people by prohibiting or limiting high-risk home financing products. Borrowers may be able to find non-qualified home financing alternatives. Possible sources of these are the specialty programs offered by some banking institutions that are neither conventional or government-backed financing.

Another home financing alternative is available through the VA home financing, which has a minimum score requirement of 580 to 620. Because it has the support of the Department of Veterans Affairs, this particular home financing option doesn?t require any down payments nor continuing insurance payments. While VA home financing does not really have any minimum credit score requirements, many lenders will only approve applications with a minimum score of 580, with a majority starting at 620. Just like with the FHA home financial options, VA home financing deals don?t have loan-level pricing adjustments.

As for conventional home financing arrangements, the minimum score is 620. These are arrangements that are not government-backed and usually charge higher fees and interest rates to those who have low credit scores. Fannie Mae and Freddie Mac are the leading two conventional home financing agencies in the US that charge loan-level pricing adjustments. The fees that they charge are based on credit score and loan-to-value (LTV), which is the ratio between the home selling price and amount being funded.The fees they charge will increase as the LTV increases and also while the credit score drops.

Those who are looking for a Miami credit repair company can check out the Credit Supreme website, or contact them through the phone or via email.

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Credit Supreme - Credit Repair Miami - Fix Credit Fast Miami FL

The Credit Supreme team has a combined experience of 15+ years in the Credit Industry. We strive to provide you with excellent customer service, the best credit repair in Miami, and results. Call Credit Supreme today for a free consultation!

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