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Desert Empire Mortgage

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What are the Maximum Allowed Sales Concessions

for FHA, VA, USDA and Conventional Mortgages

*a sales concession
is when something
is given to,
or "conceded" to
the buyer*

sales concessions can be paid by anyone involved in the transaction,
(seller, realtor, lender, escrow officer, title company, etc.)

FHA

1 - 4 units

6%

VA

1 - 4 units

6% *

USDA

1 unit only

6% *

Conventional

Primary Residences¹ - 4 units and 2nd Homes

2nd homes can be 1 unit only

> 90% Loan to value	3%	primary residences only
75.01 to 90% loan to value	6%	
< 75% loan to value	9%	

Rental

Investment Property

1 Unit to 85% loan to value	2%
2 - 4 Units to 75% loan to value	2%

* allowable seller concessions for FHA, USDA and Conventional loans
are "**normal**" recurring and non recurring closing costs such as:
prepaids of taxes, insurance, HOA dues and insurance and, escrow, title and loan fees

USDA has no maximum percentage of allowable sales concessions *

VA guidelines allow sales concessions to include any and all closing costs and prepaids plus an additional
4% for discount points, VA funding fee, gifts and buyers debt payoff *

* However, Investor "overlays" most often limit sales concessions for VA and USDA loans to 6%

information deemed reliable but not guaranteed.