HOME FINANCING GUIDE

CONVENTIONAL LOAN

A guide for Kentucky homebuyers

A FLEXIBLE, WIDELY USED MORTGAGE OPTION

WHAT IS A CONVENTIONAL LOAN?

A conventional loan is a mortgage not backed by the federal government. It's one of the most common options and can be a great fit for buyers with good credit and stable income.

At a glance

- **Flexible loan terms**
- **Competitive interest rates**
- **Available for many types of homes**

Who may qualify?

What lenders generally review when considering an application

Conventional loans are available to buyers who meet a lender's qualification requirements. Lenders typically look at your credit score, income, employment history, debt-to-income ratio, and the amount of your down payment.

Good credit can help you qualify

Down payment requirements vary

Available for many types of homes

COMMON MISCONCEPTIONS

MYTH VS. REALITY

MYTH 01

"You need a 20 percent down payment."

Not always. Many conventional loan programs allow qualified buyers to purchase with a much smaller down payment.

MYTH 02

"Conventional loans are only for buyers with perfect credit."

False. While stronger credit can improve your options, many buyers with good credit can qualify.

MYTH 03

"Conventional loans always have the lowest interest rates."

Not necessarily. Rates vary based on your credit profile, loan amount, and market conditions.

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