# THE UTAH CONVENTIONAL LOAN CONSUMER GUIDE

## Helping Utah Families Build Wealth Through Homeownership



Schedule Your Conventional Loan Consultation

### Helping Qualified Utah Buyers Finance Their Home with Conventional Financing


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The Magic Mortgage Lender

Residential Mortgage Loan Officer

NMLS #217768

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# PUBLICATION INFORMATION

## The Utah Conventional Loan Consumer Guide

**Part of the Utah Homeownership Authority Consumer Education Series**

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This guide is provided for educational purposes only and is not a commitment to lend. Loan approval is subject to borrower eligibility, property eligibility, underwriting guidelines, program requirements, and applicable law.

Mortgage programs may include closing costs, fees, interest rates, mortgage insurance, reserve requirements, and property-related expenses. Eligibility requirements vary by loan program and borrower qualifications.

This guide is not legal, tax, financial planning, or estate planning advice. Readers should consult appropriate professionals before making major financial decisions.

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**This guide has been organized to help you understand conventional financing from start to finish—from getting pre-approved and purchasing a home to refinancing and making confident homeownership decisions.**

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## WELCOME TO THE UTAH CONVENTIONAL LOAN CONSUMER GUIDE

Dear Utah Homebuyer,

Thank you for taking the time to read this guide.



Whether you're purchasing your first home, buying your next home, purchasing a vacation home, investing in real estate, or refinancing your current mortgage, this guide will help you understand how conventional financing works and whether it may be the right fit for your financial goals.

This guide was created to help you understand how conventional loans work, who qualifies, how Private Mortgage Insurance (PMI) works, and how to make informed home financing decisions with confidence.

Questions Homebuyers Ask
As you explore your options, you may be asking:
- How much down payment do I need?
- Do I need perfect credit?
- What is Private Mortgage Insurance (PMI)?
- Can I remove PMI later?
- Can I buy a second home or investment property?
- How much house can I afford?
- Should I choose Conventional, FHA, or VA financing?

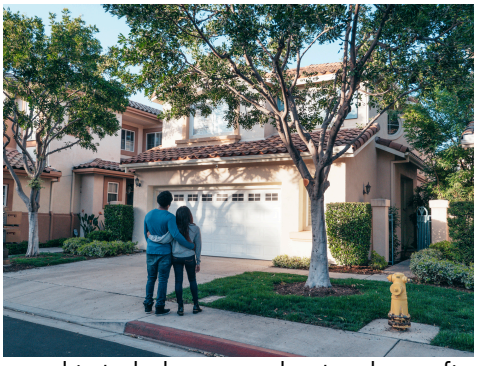
**✨ Magic Tip-**

Many buyers assume FHA financing is always the best choice because of the lower down payment requirements. However, borrowers with stronger credit profiles may benefit from conventional financing through competitive interest rates, flexible property options, and the ability to remove Private Mortgage Insurance (PMI) once sufficient equity has been established. Comparing your mortgage options before making a decision can save you money over the life of your loan.

My Philosophy Is Simple
**Education comes before recommendations.**

## Inside This Guide You'll Learn:

- How conventional loans work
- Conventional loan qualification requirements
- Down payment options
- Understanding Private Mortgage Insurance (PMI)
- Credit score considerations
- Income and debt-to-income guidelines
- Purchasing a primary residence
- Financing a second home or investment property
- Conventional vs. FHA vs. VA loans
- Common conventional loan myths
- Frequently asked questions
- Tips for successful homeownership



Whether you're buying your first home or your fifth, my goal is to help you understand your financing options so you can choose the mortgage that best fits your financial goals, your budget, and your long-term plans.

Conventional financing offers flexibility, competitive pricing for qualified borrowers, and financing options for many different property types. My goal is to help you make an informed decision—not simply choose a loan based on advertising or interest rates alone.

Sincerely,

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# Chapter 1

# UNDERSTANDING CONVENTIONAL HOME LOANS



***"A conventional loan doesn't guarantee homeownership—it rewards financial readiness with flexible financing options."***

EEvery successful home purchase begins with understanding your financing options. Conventional loans are the most common type of mortgage in the United States because they offer flexibility, competitive pricing, and financing solutions for a wide variety of borrowers and property types.

Whether you're purchasing your first home, moving into a larger home, buying a vacation property, investing in real estate, or refinancing your current mortgage, conventional financing may provide options that fit your financial goals.

Before exploring qualification requirements, down payment options, Private Mortgage Insurance (PMI), credit expectations, and the home-buying process, it's important to understand how conventional financing works and why it continues to be the mortgage choice for millions of homeowners.

# WHAT IS A CONVENTIONAL LOAN?

**A conventional loan** is a mortgage that is not insured or guaranteed by a government agency such as the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), or the U.S. Department of Agriculture (USDA). Instead, conventional loans are offered by private lenders and typically follow guidelines established by Fannie Mae and Freddie Mac.

Conventional financing is the most common mortgage option in the United States because it offers flexibility, competitive interest rates for qualified borrowers, and financing for a variety of property types. Depending on your qualifications, a conventional loan may provide lower long-term borrowing costs and additional financing options.

### Who May Benefit?

✓ Buyers with good to excellent credit

✓ First-time and repeat homebuyers

✓ Buyers purchasing a primary residence

✓ Buyers purchasing a vacation or second home

✓ Real estate investors

✓ Homeowners planning to build long-term equity

### Key Features

- Offered through approved private lenders
- Follows Fannie Mae and Freddie Mac lending guidelines
- Down payments as low as 3% for qualified borrowers
- Competitive interest rates for qualified buyers
- Private Mortgage Insurance (PMI) may be required with less than 20% down
- PMI may be removed once sufficient home equity has been established
- Available for primary residences, second homes, and investment properties
- Fixed-rate and adjustable-rate mortgage options available



### ✨ Magic Tip-

Many buyers assume they need a 20% down payment to qualify for a conventional loan. In reality, many qualified borrowers can purchase a home with as little as 3% down. A mortgage consultation can help you compare down payment options, understand Private Mortgage Insurance (PMI), and determine whether conventional financing is your best long-term choice.

*Millions of Americans choose conventional financing because it offers flexibility, competitive pricing, and financing solutions for a wide variety of homeownership goals.*

# HOW A CONVENTIONAL LOAN WORKS

Review Your Finances
↓
Get Pre-Approved
↓
Find Your Home
↓
Make an Offer
↓
Appraisal & Underwriting
↓
Closing Day
↓
Move Into Your Home

**How It Works**

**Every homebuyer's journey** is unique, but the basic conventional loan process follows a similar path from pre-approval to closing.

The process begins by reviewing your financial information and getting pre-approved by an conventional mortgage lender. Once you're pre-approved, you can confidently shop for a home within your budget. After your offer is accepted, the property is appraised and your loan is reviewed through underwriting. When everything is approved, you'll sign your final documents, receive your keys, and begin your homeownership journey.



**Pre-Approval**

Review your income, assets, credit, and debts to determine your purchasing power before shopping for a home.

**Qualification**

Your lender reviews your income, employment, credit history, available assets, debt-to-income ratio, and down payment to determine whether you qualify for conventional financing.

**Appraisal & Underwriting**

A conventional appraisal confirms the home's market value while underwriting reviews your financial qualifications, verifies your documentation, and ensures the loan meets lending guidelines.

**Closing**

Sign your final loan documents, complete the transaction, receive your keys, and officially become a homeowner.

**✨ Magic Tip-**

Getting pre-approved before you begin house hunting helps you understand your budget, strengthens your purchase offer, and gives you greater confidence throughout the home-buying process. It also allows you to identify any credit or financial improvements that could enhance your loan options before you make an offer.

# WHO QUALIFIES?

## Conventional Loan Qualification Requirements

To qualify for a conventional loan, borrowers generally must meet the lender's underwriting guidelines and, in many cases, the requirements established by Fannie Mae or Freddie Mac.

🏠 Purchase a home that meets conventional lending guidelines

💳 Meet the lender's minimum credit score requirements

💰 Provide the required down payment and available funds for closing

📋 Demonstrate stable income and employment

📊 Meet acceptable debt-to-income (DTI) guidelines

✅ Successfully complete the lender's underwriting process

## Eligible Property Types

- Single-family homes
- Approved condominiums
- Townhomes
- Two-to-four-unit properties
- Second homes and vacation properties
- Investment properties
- Eligible manufactured homes
- Newly constructed homes



### Did You Know?

Many homebuyers believe they need a 20% down payment to purchase a home.

In reality, many qualified borrowers may be eligible for a Conventional loan with a much smaller down payment, depending on their qualifications and lender requirements.

### ✨ Magic Tip-

Many first-time buyers assume they need perfect credit or a large down payment to qualify for a mortgage. Many buyers assume they need perfect credit or a large down payment to qualify for a conventional loan. Today's conventional financing offers flexible options for many qualified borrowers. Getting pre-approved early helps you understand your buying power and compare your best financing choices.

# HOW MUCH CAN I BORROW WITH A CONVENTIONAL LOAN?

### How Your Loan Amount Is Determined

Your conventional loan amount is based on several important factors, including your income, monthly debts, credit history, available down payment, the home's purchase price, appraised value, and your lender's underwriting guidelines.

While conventional loans often reward borrowers with stronger credit and financial profiles, every application is reviewed individually. Your purchasing power is determined by your complete financial picture—not by a single number or qualification.

A personalized pre-approval is the best way to determine how much home you can comfortably afford and to shop with confidence.



### Important to Remember

✓ Every homebuyer's financial situation is unique.
✓ Online affordability calculators provide estimates only.
✓ A full pre-approval provides the most accurate purchasing power.
✓ Conventional financing offers a variety of loan options designed to meet different financial goals and homeownership needs.

### Five Factors That Determine Available Funds

💼 **Income** Stable, verifiable income helps determine how much you may qualify to borrow and your ability to comfortably repay your mortgage.

💳 **Monthly Debts** Your debt-to-income (DTI) ratio is an important factor lenders use when evaluating your loan application.

📈 **Credit Profile** Your credit score and overall credit history help determine your financing options, interest rate, and loan terms.

🏠 **Home Value** The purchase price and appraised value of the property help establish the maximum amount that may be financed.
💰 **Down Payment** The amount you contribute toward your purchase affects your loan amount, monthly payment, and whether Private Mortgage Insurance (PMI) is required.




**✨ Magic Tip-**

Many buyers are surprised to learn they qualify for more financing options than they expected. A conventional loan pre-approval gives you a clear understanding of your purchasing power, helps identify the loan program that best fits your goals, and allows you to shop for a home with confidence.

# COMMON WAYS TO USE A CONVENTIONAL LOAN

## How Can You Use a Conventional Loan?

One of the greatest advantages of conventional financing is its flexibility. Conventional loans can be used for much more than purchasing your first home. Depending on your qualifications, they may also be used to purchase second homes, investment properties, or refinance an existing mortgage.

Conventional financing offers a variety of loan options designed to meet different homeownership goals while providing competitive pricing and flexible repayment terms for qualified borrowers.

### 🏡 PURCHASE A HOME

**Best For**
- First-time homebuyers
- Repeat homebuyers
- Primary residences
- Buyers with strong credit

**Things to Know**
- Down payments may be as low as 3% for qualified borrowers
- Competitive interest rates
- Multiple loan term options available

### 🔄 RATE-AND-TERM REFINANCE

**Best For**
- Lowering your interest rate
- Reducing your monthly payment
- Changing your loan term

**Things to Know**
- Replaces your current mortgage
- May reduce long-term borrowing costs
- Subject to lender qualification

### 💰 CASH-OUT REFINANCE

**Best For**
- Home improvements
- Debt consolidation
- Accessing home equity
- Major financial expenses

**Things to Know**
- Replaces your existing mortgage
- Requires sufficient home equity
- Subject to appraisal and lender approval

### 🏖️ PURCHASE A SECOND HOME OR INVESTMENT PROPERTY

**Best For**
- Vacation homes
- Rental properties
- Building long-term wealth
- Expanding a real estate portfolio

**Things to Know**
- Higher qualification standards may apply
- Larger down payments are often required
- Property type affects loan requirements



### ✨ Magic Tip-

Many buyers think conventional loans are only for purchasing a primary residence. In reality, conventional financing offers some of the most flexible options available, including financing for vacation homes, investment properties, and a variety of refinancing strategies that can help support your long-term financial goals.

# WHY HOMEBUYERS CHOOSE CONVENTIONAL LOANS

## Why Homebuyers Choose Conventional Loans

Conventional loans are the most popular mortgage financing option in the United States because they offer flexibility, competitive pricing, and a wide range of financing solutions. While every homebuyer's situation is different, conventional financing provides options for qualified borrowers purchasing primary residences, second homes, investment properties, and refinancing existing mortgages.

### 🏠 Low Down Payment

Many qualified borrowers can purchase a home with a down payment as low as 3%, making homeownership more accessible.

### 📉 PRIVATE MORTGAGE INSURANCE MAY BE REMOVABLE

Unlike FHA Mortgage Insurance Premiums (MIP), Private Mortgage Insurance (PMI) on many conventional loans may be removed once eligibility requirements have been met, helping lower future monthly payments.

### 💳 COMPETITIVE INTEREST RATES

Borrowers with strong credit profiles often qualify for highly competitive interest rates and favorable loan terms that may reduce the overall cost of homeownership.

### 🏡 FLEXIBLE PROPERTY TYPES

Conventional loans may finance primary residences, second homes, vacation properties, investment properties, condominiums, and eligible multi-unit properties.

### 💰 WIDE VARIETY OF LOAN OPTIONS

Choose from fixed-rate and adjustable-rate mortgages with a variety of loan terms designed to fit your financial goals and long-term plans.

### 📈 BUILD LONG-TERM EQUITY

As you make mortgage payments and your property's value grows, you build home equity that may provide financial flexibility and future borrowing opportunities.




Conventional financing offers flexibility that fits many stages of homeownership. Whether you're purchasing your first home, moving into a larger home, buying a vacation property, investing in real estate, or refinancing your current mortgage, a conventional loan may provide the options you need to achieve your goals.

### ✨ Magic Tip-

Many buyers compare only the interest rate when choosing a mortgage. A better comparison includes the total monthly payment, mortgage insurance, long-term costs, available loan options, and your future financial goals. The right loan isn't always the one with the lowest advertised rate—it's the one that best fits your overall financial plan.

# YOUR RESPONSIBILITIES AS A CONVENTIONAL HOMEOWNER

## Understanding Your Responsibilities After Closing

Owning a home is an ongoing commitment. Understanding your responsibilities before you buy can help you protect your investment, build equity, and enjoy the long-term benefits of homeownership with confidence.

A conventional loan provides flexible financing opportunities, but homeownership also comes with important financial responsibilities. Meeting your loan obligations and maintaining your property helps protect both your investment and your financial future.

### 💰 Make Your Mortgage Payments

Make each mortgage payment on time according to the terms of your loan agreement. Consistent, on-time payments help build equity and maintain a strong credit history.

### 🛡️ Maintain Homeowners Insurance

Keep adequate homeowners insurance in force throughout the life of your loan to help protect both your home and your investment.

### 🏠 Live in the Home

If your loan was approved as an owner-occupied primary residence, you must meet the occupancy requirements outlined in your loan agreement. Requirements may differ for second homes and investment properties.

### 🏛️ Pay Property Taxes and HOA Dues

Stay current on all required property taxes and, when applicable, homeowners association (HOA) dues to avoid unnecessary penalties or liens.

### 📞 Communicate if Financial Hardship Occurs

If you experience financial hardship, contact your loan servicer as soon as possible. Assistance programs or repayment options may be available, and acting early often provides more solutions.

### 🔨 Maintain the Property

Keep your home in safe, well-maintained condition through regular repairs and routine maintenance. Proper upkeep helps preserve your property's value and protects your long-term investment.



### ✨ Magic Tip-

Successful homeownership doesn't end at closing. Making your mortgage payments on time, maintaining your property, keeping adequate insurance coverage, and communicating with your loan servicer if challenges arise can help protect your investment and build long-term financial security.

# WHEN DO I START MAKING PAYMENTS?

## Understanding Your Conventional Mortgage Payments

A conventional loan provides flexible financing for homebuyers, but once your loan closes, you'll begin making regular monthly mortgage payments according to the terms of your mortgage agreement.

Your monthly payment may include principal, interest, property taxes, homeowners insurance, and, if applicable, Private Mortgage Insurance (PMI). Making your payments on time helps you build equity, strengthen your credit profile, and protect your long-term financial investment.

Making your mortgage payment on time every month is one of the best ways to build wealth through homeownership while creating a strong financial future.

### 🏡 Loan Closing

Once all loan documents are signed and the transaction is complete, you'll receive the keys to your new home and officially become a homeowner.

### 📅 First Mortgage Payment

Your first mortgage payment is typically due between 30 and 60 days after closing, depending on the date your loan funds. Your loan servicer will notify you of the exact payment amount and due date.

### 💵 Monthly Mortgage Payments

Continue making your mortgage payments on time each month. Consistent, on-time payments help you build equity, strengthen your financial future, and keep your loan in good standing.

### 🎉 Loan Paid in Full

Your mortgage is considered paid in full when the remaining loan balance has been completely satisfied through regular payments, refinancing, or the sale of your home.



**Get Pre-Approved**
↓
**Find a Home**
↓
**Offer Accepted**
↓
**Appraisal & Underwriting**
↓
**Closing Day**
↓
**Move Into Your Home**
↓
**First Mortgage Payment**
↓
**Build Home Equity**

### ✨ Magic Tip-

Your first mortgage payment is usually due about 30 to 60 days after closing. Before signing your final loan documents, ask your lender when your first payment will be due and whether your monthly payment includes escrow for property taxes, homeowners insurance, and, if applicable, Private Mortgage Insurance (PMI). Understanding your full monthly payment helps you budget with confidence.

# COMMON MYTHS ABOUT CONVENTIONAL LOANS

## Separating Fact From Fiction

Conventional loans are the most common type of mortgage in America, yet many misconceptions still exist. Understanding the facts can help you make confident financing decisions and determine whether conventional financing is the right choice for your homeownership goals.

Myth #1
❌ *Myth: You must have a 20% down payment to qualify for a conventional loan.*

✅ **Fact**: Many qualified borrowers can purchase a home with as little as 3% down, depending on the loan program and lender requirements.

Myth #2
❌ *Myth: Conventional loans are only for people with perfect credit.*

✅ **Fact**: While higher credit scores often qualify for better pricing, many borrowers with good credit qualify for conventional financing. Your lender evaluates your complete financial picture—not just your credit score.

Myth #3
❌ Myth: Private Mortgage Insurance (PMI) lasts for the life of the loan.

✅ **Fact**: Unlike FHA Mortgage Insurance Premiums (MIP), PMI on many conventional loans may be removed once eligibility requirements have been met, helping reduce your monthly payment.

Myth #4
❌ Myth: Conventional loans can only be used to buy a primary residence.

✅ **Fact**: Conventional financing may also be used for second homes, vacation properties, and investment properties, provided you meet the applicable lending guidelines.

Myth #5
❌ Myth: FHA loans are always a better choice than conventional loans.

✅ **Fact**: The best mortgage depends on your financial situation. Buyers with stronger credit, stable income, and available down payment funds often find that a conventional loan offers lower long-term costs and greater flexibility.



**✨ Magic Tip-**

The biggest mistake many homebuyers make is choosing a loan program before comparing all of their options. A mortgage consultation can help you compare Conventional, FHA, VA, and other financing programs so you can choose the one that best fits your budget, financial goals, and long-term plans—not just today's interest rate.

# FREQUENTLY ASKED QUESTIONS

## Frequently Asked Questions

Every homebuyer's journey is different. Below are answers to some of the questions I hear most often from buyers considering conventional financing.

**CAN I BUY A HOME WITH LESS THAN A 20% DOWN PAYMENT?**
Yes. Many qualified borrowers can purchase a home with as little as 3% down, depending on the loan program, their credit profile, and lender guidelines. Your loan officer can help determine which down payment option best fits your financial goals.

**DO CONVENTIONAL LOANS REQUIRE PRIVATE MORTGAGE INSURANCE (PMI)?**
Sometimes. If your down payment is less than 20%, Private Mortgage Insurance (PMI) is generally required. Unlike FHA Mortgage Insurance Premiums (MIP), PMI on many conventional loans may be removed once eligibility requirements have been met.

**CAN I USE GIFT FUNDS FOR MY DOWN PAYMENT?**
Yes. Many conventional loan programs allow eligible borrowers to use gift funds from qualified family members or other approved sources to help with the down payment and, in some cases, eligible closing costs. Your lender will explain the documentation requirements
.

**CAN I BUY A SECOND HOME OR AN INVESTMENT PROPERTY?**
Yes. Conventional financing is one of the few mortgage programs that can be used for primary residences, second homes, vacation properties, and investment properties. Qualification requirements, down payment amounts, and interest rates may vary depending on the property type.

**CAN I REFINANCE MY CONVENTIONAL LOAN LATER?**
Yes. Many homeowners refinance to lower their interest rate, reduce their monthly payment, shorten their loan term, remove Private Mortgage Insurance (PMI), or access available home equity. The best refinance strategy depends on your financial goals and current market conditions.

**WHAT CREDIT SCORE DO I NEED TO QUALIFY?**
Credit requirements vary depending on the loan program, down payment, and overall financial profile. While higher credit scores often qualify for better pricing and loan terms, many borrowers with good credit are eligible for conventional financing. A mortgage consultation is the best way to evaluate your options.



**✨ Magic Tip-**

Every homebuyer's financial situation is unique. A conventional loan consultation can help you understand your qualification options, estimate your purchasing power, compare loan programs, explain Private Mortgage Insurance (PMI), and identify the financing strategy that best supports your long-term financial goals.

# CONVENTIONAL LOAN VS. OTHER MORTGAGE OPTIONS

## Choosing the Right Mortgage for Your Goals

There is no single mortgage program that is right for everyone. Conventional, FHA, VA, USDA, and Jumbo loans each offer unique advantages depending on your financial situation, credit profile, down payment, and long-term goals.

Understanding the differences between these programs helps you choose financing that supports both your current needs and your future plans.

| Feature | FHA Loan | Conventional Loan | VA Loan |
|---|---|---|---|
| **Down Payment** | As low as 3.5% for qualified | As low as 3% for qualified borrowers | Often 0% for eligible veterans |
| **Mortgage Insurance** | Required (MIP) | Usually required with less than 20% | No monthly mortgage |
| **Credit Guidelines** | Flexible | Generally more restrictive | Flexible for eligible veterans |
| **Income Requirements** | Must meet FHA and lender | Lender guidelines | VA and lender guidelines |
| **Property Type** | Primary residence | Primary, second home, or investment | Primary residence |
| **Best For** | Buyers seeking flexible | Buyers with strong credit and larger down payments | Eligible veterans and active-duty |

**🏡 A CONVENTIONAL LOAN MAY BE BEST IF YOU:**

- Have good to excellent credit.
- Want competitive interest rates and flexible loan terms.
- Can make a down payment of 3% or more.
- Want the opportunity to remove Private Mortgage Insurance (PMI) after building sufficient equity.
- Are purchasing a primary residence, second home, or investment property.

**🏦 ANOTHER LOAN MAY BE BEST IF YOU:**

- Qualify for a VA loan with no down payment.
- Need the more flexible credit guidelines available with an FHA loan.
- Qualify for a USDA loan in an eligible rural area.
- Need financing above conforming loan limits through a Jumbo loan.
- Have financial circumstances that make another mortgage program a better fit.



**✨ Magic Tip-**

The best mortgage isn't determined by a single factor such as the interest rate or down payment. Compare the total monthly payment, mortgage insurance, closing costs, qualification requirements, and your long-term financial goals before deciding which loan program is right for you.

# CONVENTIONAL LOAN VS. FHA LOAN

## Understanding the Differences

Conventional and FHA loans are two of the most popular mortgage options available today. Both can help qualified buyers achieve homeownership, but they differ in qualification requirements, down payment options, mortgage insurance, and long-term costs.

Understanding these differences allows you to choose the financing option that best supports your financial goals, both now and in the future.

| Feature | Conventional | FHA |
|---|---|---|
| Minimum Down Payment | As low as 3% (qualified buyers) | As low as 3.5% (qualified buyers) |
| Mortgage Insurance | PMI may be removable | MIP required under FHA guidelines |
| Credit Flexibility | Good to excellent credit generally preferred | More flexible credit guidelines |
| Property Types | Primary, second home, investment | Primary residence only |
| Government Insured | No | Yes |

### CONVENTIONAL LOAN

**Best For**

✓ Buyers with good to excellent credit
✓ Down payments as low as 3% for qualified borrowers
✓ Primary residences, second homes, and investment properties
✓ Opportunity to remove Private Mortgage Insurance (PMI)
✓ Competitive long-term borrowing costs

**Things to Consider**

• Credit requirements are generally higher than FHA.
• PMI is usually required with less than 20% down.
• Strong financial profiles often receive the best pricing.

### FHA LOAN

**Best For**

✓ Buyers with limited down payment savings
✓ Borrowers needing more flexible credit guidelines
✓ First-time and repeat homebuyers
✓ Primary residences only
✓ Buyers who may not qualify for conventional financing

**Things to Consider**

• Mortgage Insurance Premiums (MIP) are required.
• MIP may remain for the life of the loan in many cases.
• Property must meet FHA appraisal and property standards.



### ✨ Magic Tip-

Neither a Conventional loan nor an FHA loan is automatically "better." The right mortgage depends on your credit profile, available down payment, monthly budget, long-term financial goals, and the type of property you're purchasing. Comparing both options before making a decision can save you money over the life of your mortgage.

# REAL-LIFE CONVENTIONAL LOAN SCENARIOS

## Conventional Financing in Action

Every homebuyer's financial situation is unique. Conventional loans offer flexible financing solutions for a wide variety of borrowers and property types. Here are a few examples of how conventional financing may help buyers achieve their goals.

### 🏡 Scenario 1 – First-Time Homebuyer

Emily has stable income, good credit, and savings for a modest down payment. A conventional loan allows her to purchase her first home with competitive financing and the opportunity to remove PMI in the future.

### 🏡 Scenario 2 – Growing Family

Mark and Sarah are selling their starter home and purchasing a larger home. Their equity provides a larger down payment, helping reduce monthly payments and borrowing costs.

### 🏡 Scenario 3 – Vacation Home

David wants to purchase a mountain cabin for weekend family trips. Conventional financing gives him options not available through many government-backed loan programs.

### 🏡 Scenario 4 – Investment Property

Jennifer wants to begin building long-term wealth through rental real estate. Conventional financing provides opportunities to finance eligible investment properties.




### ✨ Magic Tip-

No two borrowers are exactly alike. Your income, credit profile, down payment, and long-term goals all influence which mortgage program offers the greatest value.

# MAKING THE MOST OF CONVENTIONAL FINANCING

## Using Conventional Financing Strategically

A conventional loan can do more than help you purchase a home. When used strategically, it can support your long-term financial goals while providing flexibility as your needs change.

### Ways Conventional Financing Can Help

🏡 Purchase your first home
📈 Move into a larger home
🏖️ Purchase a vacation home
🏢 Invest in rental property
💰 Build long-term home equity
🔄 Refinance when market conditions improve

### Long-Term Benefits

- Opportunity to remove PMI
- Greater property flexibility
- Competitive financing for qualified borrowers
- Multiple loan term options
- Build wealth through homeownership




### ✨ Magic Tip-

Think beyond today's payment. The right mortgage should support your long-term financial goals over the next five, ten, or even thirty years.

# IS A CONVENTIONAL LOAN RIGHT FOR YOU?

## Ask Yourself These Questions

A conventional loan may be a good fit if you answer "Yes" to several of these questions.

✔️ I have stable income.

✔️ I have good or excellent credit.

✔️ I have some money available for a down payment.

✔️ I want flexible financing options.

✔️ I may want to purchase a second home or investment property someday.

✔️ I like the possibility of removing PMI after building sufficient equity.

✔️ I want to compare all available loan options before making a decision.



### YOUR NEXT STEPS

✓ Review your income, assets, and credit.
✓ Estimate your available down payment.
✓ Get pre-approved with a conventional mortgage lender
✓ Compare Conventional financing with other mortgage options.
✓ Begin shopping for homes that fit your budget.
✓ Schedule your personalized Conventional Loan Consultation.

**✨ Magic Tip-**

The goal isn't simply qualifying for a mortgage—it's choosing the financing strategy that best supports your financial future.

# MEET TRES MILLER

***Helping Utah Families Make Confident Home Financing Decisions Since 1995***




I believe every homebuyer deserves honest education, clear answers, and professional guidance—not sales pressure.

My commitment is to help you understand every available mortgage option so you can make informed decisions with confidence. Whether you choose a conventional loan or another mortgage program, my goal is to help you select the mortgage strategy that best supports your family, your finances, and your future.

**My Story**

For more than 30 years, I've had the privilege of helping Utah families achieve the dream of homeownership. Throughout my career, I've believed that education should always come before recommendations because every borrower deserves to understand their options before making one of life's biggest financial decisions.

Whether you're purchasing your first home, moving into your next home, refinancing your current mortgage, or exploring Conventional financing, my role is to provide honest guidance that helps you move forward with confidence.

As both a mortgage professional and a U.S. Army veteran, I understand the importance of trust, service, and building lasting relationships. Those values continue to guide every client conversation and every recommendation I make.

**Experience**

✔️ The Magic Mortgage Lender Since 1995
✔️ U.S. Army Veteran
✔️ Licensed Mortgage Loan Originator
✔️ Conventional • FHA • VA • Reverse Mortgage Specialist
✔️ VA Loan Specialist
✔️ Reverse Mortgage Specialist
✔️ Conventional, USDA, Jumbo & Refinance Financing
✔️ Serving Utah Homeowners Since 1995
✔️ First-Time Homebuyer Education Specialist

**Contact Tres Miller**

📞 435-229-9797
🌐 UtahHomeownershipAuthority.com
📧 TMiller@JMJ.Me
📍 Serving Homeowners Throughout Utah

**Why I Do This**

Buying a home is one of the biggest financial decisions most people will ever make. My goal is to simplify the mortgage process, answer your questions honestly, and provide the education you need to move forward with confidence.
I believe informed borrowers make better financial decisions, and helping families achieve homeownership is one of the most rewarding parts of my career.
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**My Philosophy:**

*"Education comes before recommendations. The best mortgage decision is always an informed one."*

**Schedule Your Free Conventional Loan Consultation**

***"The best mortgage decision is an informed mortgage decision."***
**— Tres Miller**

# CONVENTIONAL LOAN GLOSSARY

***Understanding Common Conventional Loan Terms***

**Appraisal** – An estimate of a property's market value.

**Closing Costs** – Fees associated with completing a mortgage transaction.

**Conforming Loan** – A conventional loan meeting Fannie Mae or Freddie Mac guidelines.

**Debt-to-Income Ratio (DTI)** – Your monthly debt compared to monthly income.

**Down Payment** – Money paid upfront toward the purchase.

**Escrow Account** – An account used to pay taxes and insurance.

**Fannie Mae** – Government-sponsored enterprise that purchases mortgages.

**Freddie Mac** – Government-sponsored enterprise supporting mortgage lending.

**Fixed-Rate Mortgage** – Interest rate remains unchanged throughout the loan.

**Loan-to-Value Ratio (LTV)** – Loan amount compared to property value.

**Private Mortgage Insurance (PMI)** – Insurance generally required with less than 20% down.

**Underwriting** – The lender's review of your financial qualifications.



**✨ Magic Tip-**

Understanding mortgage terminology gives you confidence throughout the home-buying process. If you come across a word or phrase you don't understand, don't hesitate to ask your loan officer. There are no bad questions when you're making one of the biggest financial decisions of your life.

# CONSULTATION PREPARATION WORKSHEET

***Prepare for Your Personalized Conventional Loan Consultation***

## Getting Ready for Your Consultation

Preparing a few details before your consultation helps us make the most of our time together. This worksheet is designed to organize your information, identify your homeownership goals, and make sure all of your questions are answered during your personalized Conventional loan review.

Property Address_____

Estimated Purchase Price_____

Estimated Down Payment _____

Est Mo. Housing Budget_____

### Property Type

□ Single-Family Home

□ Condominium

□ Townhome

□ Manufactured Home

□ Other _____



### YOUR HOMEOWNERSHIP GOALS

□ Buy my first home

□ Buy my next home

□ Purchase with a lower down payment

□ Improve my monthly housing payment

□ Use gift funds for my down payment

□ Refinance my current mortgage

□ Learn down payment assistance programs

□ Learn whether Conventional financing is my best financing option

□ Other _____

### QUESTIONS I'D LIKE ANSWERED

_____

_____

_____

### DOCUMENTS TO BRING

✓ Government-issued Photo ID
✓ Recent Pay Stubs (30 days)
✓ W-2s or Tax Returns (if requested)
✓ Recent Bank Statements
✓ Documentation for Down Payment Funds
✓ Current Mortgage Statement (if refinancing)
✓ Contact Information for Your Real Estate Agent (if applicable)
✓ A List of Questions You Want Answered

### ✨ Magic Tip-

Coming prepared helps you get the most out of your consultation. Bringing your questions, financial information, and homeownership goals allows your loan officer to provide recommendations tailored specifically to your situation, saving time and helping you make informed decisions.

# NEXT STEPS & TRUSTED RESOURCES

## *Ready to Take the Next Step?*
## *Schedule Your Free Conventional Loan Consultation*

### Moving Forward with Confidence

Buying a home is one of the biggest financial decisions you'll ever make. This guide has introduced the fundamentals of Conventional financing, but every homebuyer's financial situation is unique.

Taking the time to understand your options, ask questions, and prepare before making an offer can help you move forward with confidence and make informed decisions that support your long-term financial goals.

### YOUR NEXT STEPS

✓ Review your credit profile..
✓ Review your income, assets, and credit.
✓ Estimate your available down payment.
✓ Learn how Mortgage Insurance Premium (MIP) works.
✓ Get pre-approved with a conventional mortgage lender
✓ Compare homes that fit your budget and lifestyle.
✓ Schedule personalized Conventional Consultation



### TRUSTED RESOURCES

**Utah Homeownership Authority**
Educational consumer guides, mortgage calculators, videos, and trusted home financing resources for Utah homebuyers.

**Consumer Financial Protection Bureau (CFPB)**
Find educational resources about mortgages, budgeting, closing costs, and homeownership.

**Utah Homeownership Authority**
Access educational articles, videos, downloadable consumer guides, mortgage calculators, and personalized consultation resources.

**Your Mortgage Professional**
Every homebuyer's situation is unique. Ask questions until you understand your financing options. An informed borrower makes better long-term financial decisions.

### BEFORE YOU DECIDE

✓ Compare Conventional, FHA, VA, USDA and Jumbo loans.
✓ Understand your total monthly housing payment.
✓Learn how Private Mortgage Insurance (PMI) works..
✓ Review your long-term homeownership goals.
✓ Ask every question you have.
✓ Choose the mortgage program that best fits your financial situation.

### ✨ Magic Tip-

Buying a home is a journey, not a race. Taking each step in the right order—from preparing your finances to getting pre-approved and understanding your options—can make the entire process smoother, less stressful, and more successful

# THANK YOU FOR READING

**Thank You**

Thank you for taking the time to read The Utah Conventional Loan Consumer Guide.

I hope this guide has helped you better understand how conventional financing works and how it may fit into your homeownership journey.

Buying a home is one of the most significant financial decisions you'll ever make. My goal is to ensure you have the knowledge and confidence to make the decision that's right for you and your family.

Whether you're ready to purchase now or simply planning for the future, I'm here to answer your questions, explain your options, and help you compare loan programs with no pressure and no obligation.

My goal has never been to pressure anyone into choosing a particular loan program. My goal is to provide honest education, answer your questions, and help you understand all of your financing options so you can move forward with confidence.

As both the Magic Mortgage Lender and a U.S. Army veteran, I believe trust, service, and integrity should be part of every home financing experience. It would be my privilege to help you navigate your mortgage journey and find the financing solution that best supports your goals.

If I can answer your questions or help you compare your options, I would be honored to assist you.



"Education comes before recommendations."

— Tres Miller

The best mortgage decision is always am informed one.

***Helping individuals and families make confident home financing decisions for more than 30 years.***

To every Utah homebuyer and family beginning the homeownership journey—thank you for taking the time to learn more about conventional financing. I wish you every success in purchasing your next home.

Schedule Your Free Home Loan Consultation

Contact Information


**Tres Miller**

The Magic Mortgage Lender

Residential Mortgage Loan Officer

U.S. Army Veteran

NMLS #217768

📞 **435-229-9797**

🌐 UtahHomeownershipAuthority.com

✉️ **TMiller@JMJ.Me**


**✨ Magic Tip-**

The most successful homebuyers aren't always the ones with the highest income or largest down payment—they're the ones who take the time to learn their options before making a decision. Education creates confidence, and confident buyers make better financial choices.