

# FHA 203k LOAN



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## Can I purchase a home using a 203K loan?

Yes you can... it is true, you can purchase a home that you want, without having to pay a premium price.

The FHA 203k Loan is one of a few popular Rehab Lending programs available that allow buyers to finance minor cosmetic or major structural upgrades at the time of purchase through one 30 year fixed, low interest rate home loan.

Most buyers think that a 203k loan is only for completely rehabilitating a distressed foreclosure or short sale that has been seriously destroyed and is in a bad area or requires a lot of work.

However, a 203k loan can be used to finance any property that fits within standard FHA guidelines, regardless of the amount of home improvement work needed or desired. This FHA program is eligible for use on single family homes as well as 1 to 4 unit buildings; including the conversion of a building from a larger number of units down to 4 or less.

Following specific guidelines, the 203k mortgage can also be used on a condominium unit for improvement of the interior only. Provisions also allow for financing mixed-use buildings, such as those with retail or commercial space combined with residential. In these cases, the 203k loan can only be used for the residential portion of the building.

Best of all, the approval process for a 203k loan follows the same flexible credit score requirements, income documentation and low down payment as a basic FHA loan.

The only difference is that there are a few extra steps and procedures for qualifying a property, hiring contractors and disbursing funds for completed work. It is actually a smooth process provided you're working with an experienced 203k team.

