

FHA 203k LOAN



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What are the benefits of using an FHA 203k Loan?

The purchase of a house that needs repairs creates a little dilemma to a would be buyer because usually the banks won't lend the money to buy the house until the repairs are complete. And in the case of a 203k loan, the repairs cannot be done until the house has been purchased.

HUD's FHA 203k loan program can help you with this situation and allow you to purchase or refinance a property which will have included in the loan is the cost of making the repairs and improvements.

Good news is that the mortgage loan interest on the FHA 203k loan qualifies for the mortgage interest tax deductions like all other mortgage loans. So, the interest that the borrower pays on this "construction/improvements" can be all tax deductible.

The FHA 203k loan program improves the real estate market because it requires a property to actually be improved - not just purchased.

Because of the improvement requirement with the FHA 203k loan program, neighborhood real estate values could possibly be increased. In addition your neighbors no longer have to see a dilapidated home which boosts their pride of homeownership.

This program also has economic stimulus to communities because it creates work for contractors, those contractor's hire labor, purchase local goods and services etc..

There is a lot of benefits to the FHA 203k program and quite simply it can be said that it improves everything associated with and surrounding it.

