THE ULTIMATE LOAN COMPARISON

A COMPREHENSIVE BREAKDOWN OF MORTGAGE PRODUCTS TO MAXIMIZE YOUR PURCHASING POWER.

PREPARED BY

DAVID TORRES

Realtor | Realvisor Realty

INTRODUCTION

Not all mortgages are created equal. The loan product you choose can dictate your interest rate, down payment, monthly mortgage insurance, and even your ability to negotiate with sellers.

This guide provides a deep-dive analysis of the most prominent loan types, ensuring you select the optimal strategy for your financial profile.

THE DEEP DIVE

TOP TIER

VA LOAN

GOVERNMENT BACKED (VETERANS AFFAIRS)

THE SPECS

Down Payment: 0%

Minimum Credit: Typically 580 (Lender overlay dependent)

Mortgage Insurance: None (No PMI)

Funding Fee: 1.25% - 3.3% (Waived with 10%+ VA Disability)

THE STRATEGY

The absolute strongest loan product available. It preserves your capital by requiring no down payment and eliminates the monthly drag of private mortgage insurance.

Ideal For: Active duty military, veterans, and surviving spouses looking to maximize leverage.

YOUR NEXT STEP

VA FUNDING FEE, IN DEPTH

The Veteran Homebuyer's Action Plan covers the funding fee, exemptions, and every document your lender will ask for.

movingtexas.ai/veterans-packet

FHA LOAN

GOVERNMENT BACKED (FEDERAL HOUSING ADMINISTRATION)

THE SPECS

Down Payment: 3.5%

Minimum Credit: 580 (Can go to 500 with 10% down)

Mortgage Insurance: Yes (Upfront + Annual MIP)

Property Standards: Strict appraisal requirements

THE STRATEGY

The ultimate entry-level loan. It provides a pathway to homeownership for those with lower credit scores or limited cash reserves, though the mortgage insurance is permanent unless refinanced.

Ideal For: First-time buyers and those rebuilding their credit profiles.

CONVENTIONAL

PRIVATE LOAN (FANNIE MAE / FREDDIE MAC)

THE SPECS

Down Payment: 3% - 20%+

Minimum Credit: 620

Mortgage Insurance: Yes (If under 20% down, but cancelable)

Loan Limits: Subject to conforming limits

THE STRATEGY

The standard bearer. It rewards strong credit with excellent rates and the ability to drop mortgage insurance once you hit 20% equity, lowering your long-term costs.

Ideal For: Buyers with solid credit scores (680+) and moderate to high down payments.

DSCR LOAN

INVESTOR SPECIFIC

Debt Service Coverage Ratio. Lenders qualify you based on the property's potential rental income rather than your personal W-2 income. Perfect for scaling a real estate portfolio without hitting debt-to-income caps.

Down Payment: 15-20%+
Credit: 640+

JUMBO LOAN

NON-CONFORMING

Designed for luxury properties that exceed standard conforming loan limits. These loans carry stricter underwriting guidelines, requiring significant cash reserves and excellent credit.

Down Payment: 10-20%+
Credit: 680+ (Often 700+)

WHICH LOAN FITS YOU?

The specs above tell you what each product requires. This is the faster question: which one is built for your situation? Match your profile below, then pressure-test the choice with a lender.

ACTIVE DUTY, VETERAN, OR SURVIVING SPOUSE

Start with the **VA loan**. Zero down and no monthly mortgage insurance make it the strongest product on this page, and if you hold a 10%+ VA disability rating, the funding fee is waived entirely.

LOWER CREDIT OR SMALLER SAVINGS

The **FHA loan** exists for you. A 3.5% down payment and forgiving credit requirements open the door. Just go in knowing the mortgage insurance stays with the loan unless you refinance later.

STRONG CREDIT WITH 20% READY

A **Conventional loan** rewards that profile with excellent rates, and even if you put down less than 20%, the mortgage insurance is cancelable once you reach 20% equity, unlike FHA's.

INVESTOR QUALIFYING ON RENTAL INCOME

A **DSCR loan** qualifies you on the property's rental income instead of your personal W-2. It's the tool for scaling a portfolio without hitting debt-to-income caps.

LUXURY PRICE POINT

Above the conforming loan limits, you're in **Jumbo** territory. Expect stricter underwriting, larger reserves, and excellent-credit requirements, which is exactly why we line up your file before you shop.

THE PRE-APPROVAL GAUNTLET

Whichever product you choose, the path to a real approval runs through the same gauntlet. Walk in prepared and you clear it in days, not weeks.

THE DOCUMENT STACK

Underwriters think in two-year blocks: two years of income history, two years of employment, two years of addresses. Build your stack accordingly:

- Government-issued photo ID.
- Last 2 years of W-2s (or 2 years of tax returns if self-employed).
- 30 days of pay stubs.
- 60 days of bank statements: every page, even the blank ones.
- A 2-year employment and residence history, with gaps explained up front.

PRE-QUALIFICATION VS. PRE-APPROVAL

These are not the same document. A **pre-qualification** is an estimate based on what you tell the lender: no documents verified, no credit pulled in depth. A **pre-approval** means the lender has actually reviewed your documents and credit. Listing agents can tell the difference at a glance, and in a competitive offer, only the pre-approval carries weight.

SHOP RATES WITHOUT FEAR

Buyers routinely accept the first quote because they're afraid multiple credit pulls will wreck their score. Credit scoring models are built for this: multiple mortgage inquiries made within a short shopping window are treated as a single pull. Get quotes from more than one lender, compare the full cost (rate, points, and fees together), and negotiate from strength.

QUESTIONS THAT SORT LENDERS

- Which loan products do you close most often, and how many of my loan type this year?
- Can you quote me total closing costs in writing, not just the rate?
- What are your rate-lock terms, and what happens if closing slips?
- Who is my single point of contact from application to closing table?

STRATEGIC NEXT STEPS

- Pull your free credit report to verify accuracy before applying.
- Calculate your comfortable monthly payment, not just the max approval amount.
- Gather your last 2 years of W-2s, 30 days of pay stubs, and 60 days of bank statements.
- Connect with one of our trusted local lenders for a formal pre-approval.

YOUR NEXT STEP

PUT YOUR LOAN TO WORK

The Home Buyer's Playbook walks the full purchase: search strategy, offers, option period, and closing day.

movingtexas.ai/buyer-packet

DAVID TORRES

Realtor | Realvisor Realty

Ready to get pre-approved? Let's connect.

210-776-8854

david@movingtexas.ai

Call or text me to get started today.

BOOK A CALL | CALL / TEXT NOW | SEE LENDERS & RATES