



2025 Mortgage Updates

In 2025, several significant updates have been made to mortgage loan programs, impacting FHA, VA, USDA, Conventional, and Jumbo loans. Here's an overview of the key changes:

FHA MORTGAGE

Increased Loan Limits

- Increased Loan Limits: The Federal Housing Administration (FHA) has raised its loan limits for 2025 to accommodate rising home prices. For a one-unit property, the loan limit is now \$524,225 for 1-unit, \$671,200 for 2-unit, \$811,275 for 3-unit, \$1,008,300 for 4-unit.

Expanded Eligibility for Medical Debt

- Unpaid medical debts are now excluded from credit reports, potentially increasing credit scores by an average of 20 points and broadening eligibility for FHA loans.

VA MORTGAGE

No Loan Limits for Full Entitlement Borrowers

- Veterans with full entitlement can now borrow without a maximum loan limit, provided they meet the lender's requirements. For those with partial entitlement, loan limits are based on the county's conforming loan limit.

Reduced Funding Fees

- No Down Payment: 1st Use-2.15%, 2nd Use-3.3%
- 5-9.99% Down Payment: 1st & 2nd Use - 1.5%
- 10%+ Down Payment: 1st & 2nd Use - 1.25%

USDA MORTGAGE

No Set Loan Limits

- USDA loans do not have predefined loan limits. Instead, eligibility is determined by the borrower's income and the property's location in an eligible rural area. This flexibility allows for higher loan amounts in certain cases.

Expanded Eligibility Areas

- The USDA has expanded eligible rural areas, allowing more borrowers to qualify for USDA financing. Check for eligibility: <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=rbs>

CONVENTIONAL MORTGAGE

Increased Loan Limits

- The Federal Housing Finance Agency (FHFA) has raised the conforming loan limit to \$806,500 for 2025, up from \$766,500 in 2024. In high-cost areas, the limit can reach up to \$1,209,750.

JUMBO MORTGAGE

No Set Loan Limits

- Jumbo loans are non-conforming loans that exceed the conforming loan limits (\$806,500). The maximum loan amount for a jumbo loan is determined by the lender's criteria and the borrower's financial qualifications. Most Lenders will go up to loan amounts of \$4M with 10% down (*credit scores, DTI, and other factors taken into consideration*)

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