ReadinessIQ

BUYER DECISION GUIDE - CHECKLIST

FHA or conventional - which is better for a first-time buyer?

FHA and conventional loans solve the same problem - buying a home without 20% down - but they charge for it differently.

YOUR CHECKLIST

- [ ] I know my current credit score and how it compares to the 580 and 620 thresholds
- [ ] I've calculated my debt-to-income ratio, not estimated it
- [ ] I understand FHA's mortgage insurance usually lasts the life of the loan below 10% down
- [ ] I understand conventional PMI cancels automatically at 78% loan-to-value
- [ ] I've asked a lender to quote both programs at the same rate lock date
- [ ] I've compared total monthly payment, not just the interest rate
- [ ] I've asked my agent whether the homes I'm considering are likely to pass an FHA appraisal
- [ ] I know my county's FHA and conventional loan limits
- [ ] I know the seller concession cap for whichever program I'm using
- [ ] If I'm planning to refinance out of FHA later, I have a rough equity timeline in mind

WATCH OUT FOR

- Assuming FHA is always cheaper because it's more forgiving
- Not realizing FHA mortgage insurance may never cancel
- Choosing a program before checking the property's likely condition

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Scan for the full guide - readinessiq.ai/guides/fha-vs-conventional-first-time-buyers

Know More. Plan Smarter. Move Forward.

Brian Mix, NMLS #111175 - ReadinessIQ