

The Ultimate Guide to FHA Loans in Florida (2025)

What Is an FHA Loan?

An FHA loan is a government-backed mortgage insured by the Federal Housing Administration. It allows buyers with less-than-perfect credit or limited savings to become homeowners with flexible qualifying criteria.

Who Can Qualify?

- Credit Score: 580+ (500-579 with 10% down)
- Down Payment: 3.5% minimum
- DTI: Up to 57% with strong compensating factors
- Employment: 2+ years steady income
- Property: Must be primary residence and meet FHA standards

FHA Loan Benefits

- Low 3.5% down payment
- Flexible credit requirements
- Fixed interest rates
- Allows gift funds for down payment
- Assumable loan if you sell

FHA Loan Limits in Florida (2025)

Loan limits vary by county and number of units. For example:

- Manatee & Sarasota (1-unit): \$498,257
- Miami-Dade (1-unit): \$621,000

Use HUD's loan limit tool or check our full chart for your county.

Mortgage Insurance (MIP)

- Upfront MIP: 1.75% of loan amount (can be financed)
- Annual MIP: Paid monthly and required for life of loan if under 10% down
- If 10%+ down: MIP drops after 11 years

FHA vs. Conventional

FHA loans are more lenient on credit and income, while conventional loans offer more long-term flexibility.

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FHA is ideal for first-time buyers, lower credit scores, or those needing a smaller down payment.

Common FHA Misconceptions

- FHA is only for first-time buyers: False
- You can't buy a fixer-upper: False (203k loan is an option)
- FHA takes longer to close: Often not true with a great loan officer

Work with Tim Lyons

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