



Limits on Closing Cost Credits to a Buyer

Fannie Mae and Freddie Mac Interested Party Contribution Limits

Interested Party Contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender, or any other party with an interest in the real estate transaction. Interested party contributions may be used exclusively to cover closing costs and prepaid expenses.

INTERESTED PARTY CONTRIBUTIONS LIMITS			
CLTV	Up to 75%	75.01%-90%	90.01%-97%
Primary Residences	Maximum 9%	Maximum 6%	Maximum 3%
Second Homes	Maximum 9%	Maximum 6%	Maximum 3%
Investment Properties	Maximum 2%	Maximum 2%	

FHA Seller Contribution Limits

FHA allows a maximum six percent (6%) of the purchase price.

VA Seller Contribution Limits

VA loans allow the seller to pay ALL closing costs and discount points, regardless of the amount. In addition to that, the seller may contribute 4% of the purchase price (or appraisal, whichever is lower) for this such as:

- Buyer's funding fee
- Prepaid taxes and insurance
- Gifts such as television or microwave
- Interest rate buy down points
- Temporary buy down funds
- Payoff of credit balances or judgments on behalf of the buyer (amazing but true)

USDA Guaranteed Rural Housing Interested Party Contribution Limits

Amazingly, the USDA program has no limitation.