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## Desert Empire Mortgage

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### What are the **Maximum Allowed Sales Concessions** for FHA, VA, USDA and Conventional Mortgages

*a sales concession  
is when something  
is given to,  
or "conceded" to  
the buyer*

sales concessions can be paid by anyone involved in the transaction,  
( seller, realtor, lender, escrow officer, title company, etc. )

#### **FHA**

1 - 4 units

**6%**

#### **VA**

1 - 4 units

**6% \***

#### **USDA**

1 unit only

**6% \***

### **Conventional**

#### **Primary Residences<sup>1</sup> - 4 units and 2nd Homes**

*2nd homes can be 1 unit only*

> 90% Loan to value	<b>3%</b>	primary residences only
75.01 to 90% loan to value	<b>6%</b>	
< 75% loan to value	<b>9%</b>	

#### **Rental**

#### **Investment Property**

1 Unit to 85% loan to value	<b>2%</b>
2 - 4 Units to 75% loan to value	<b>2%</b>

\* allowable seller concessions for FHA, USDA and Conventional loans  
are "**normal**" recurring and non recurring closing costs such as:  
prepaids of taxes, insurance, HOA dues and insurance and, escrow, title and loan fees

USDA has no maximum percentage of allowable sales concessions \*  
VA guidelines allow sales concessions to include any and all closing costs and prepaids plus an additional  
4% for discount points, VA funding fee, gifts and buyers debt payoff \*

\* However, Investor "overlays" most often limit sales concessions for VA and USDA loans to 6%