



How to Apply for an FHA Loan in Texas: A Step-by-Step Guide



Buying a house for the first time can be overwhelming, especially when it comes to securing financing. For many first-time buyers, [FHA loans](#) are a viable option due to their lenient credit requirements and lower down payment thresholds. If you're wondering how to apply for an FHA loan, HomeTown Lending is here to guide you through the process.

How Big Can an FHA Loan Be?

FHA loans are designed to make homeownership more accessible. The size of an FHA loan you can apply for depends on the median home price in your area. In general, you can purchase a home that costs up to 115% of the median home price in your county.

For example, in Houston, the median home price in 2024 is \$285,000. Therefore, the maximum FHA loan limit for a single-unit home is approximately \$331,760. This limit varies by location, so if you're home shopping in San Antonio, Dallas, Fort Worth, Austin, or elsewhere in Texas, be sure to check the FHA loan limits specific to your area.

What You Need to Qualify for an FHA Loan

While FHA loans are more accessible than [conventional loans](#), there are still several requirements you must meet to qualify.

Verifiable Income

To qualify for an FHA loan, you need a verifiable income. This involves providing your lender with pay stubs and tax returns, which prove your financial stability and your ability to make mortgage payments. Your mortgage payment cannot exceed 35% of your take-home pay, and your total debt-to-income ratio, including the new FHA loan, cannot exceed 48%.

Down Payment

One of the main advantages of FHA loans is the low down payment requirement. Buyers need only put down 3.5% of the home's purchase price. However, it's advisable to save around 6% of the home's price to cover both the down payment and closing costs.

Credit Score

To qualify for an FHA loan, you'll need a minimum credit score of 580 and at least two open lines of credit. It's best to minimize or eliminate existing debt before applying, as this can improve your credit score and increase your chances of approval.

Required Documentation

When meeting with your lender, you'll need to provide several documents, including:

- Driver's license
- Social security number
- Tax returns
- Pay stubs
- Asset account statements
- Bank statements

Pre-Approved for an FHA Loan? Time to Start Shopping

Once you've been pre-approved for an FHA loan, you can start the exciting process of house hunting. Pre-approval means that a lender has determined you're eligible for a loan of a specific amount, giving you a budget to work within.

Shopping for Your Home

With your pre-approval in hand, you can start looking for homes within your budget. When you find the perfect home, your lender will help you complete the loan application for your FHA mortgage.

Mortgage Insurance

Keep in mind that if your down payment is less than 20%, you will be required to purchase private mortgage insurance (PMI). This insurance protects the lender in case you default on your loan and is a standard requirement for FHA loans with lower down payments.

Give us a Call!

Applying for an FHA loan doesn't have to be daunting. With the right preparation and understanding of the requirements, you can navigate the process smoothly. At HomeTown Lending, we're dedicated to helping you achieve your dream of homeownership. [Contact us today to learn more](#) about FHA loans and start your application process. With our expert guidance, you'll be moving into your new home in no time!