FHA vs. VA vs. Conventional vs. Jumbo vs. USDA: 2026 Loan Comparison

Side-by-side 2026 comparison of the five most common mortgage types — credit scores, down payments, loan limits, mortgage insurance, and waiting periods after credit events.

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Walk into five different banks and you might hear about five different loans — each presented as "the one." The truth is simpler: the five most common mortgage types each exist for a *specific kind of borrower*, and once you see them side by side, it's usually obvious which lane is yours.

Here's the full comparison, updated with the **2026 loan limits and rules**, followed by a plain-English profile of each loan.

The Comparison Chart

	FHA	VA	Conventional	Jumbo	USDA
Best for	Lower scores or smaller savings	Military families — the best deal in lending	Solid credit — the flexible default	Homes priced above conforming limits	0% down outside the city
Minimum credit score	580 (500–579 with 10% down)	No official minimum; lenders often want 580–620	620; better pricing as scores rise	Typically 700–720+	Typically 640; non-traditional credit possible
Down payment	3.5%	0%	3–5% (3% first-time programs); 20% avoids PMI	Usually 10–20%+	0%
2026 loan limit	$541,287 in most Georgia & Florida counties; higher in high-cost areas	No limit with full entitlement	$832,750 baseline; up to $1,249,125 in high-cost areas	No limit — jumbo IS the loan above conforming	No set limit — capped instead by income rules
Debt-to-income	Flexible — can approve up to ~50%+ with strong file	Flexible — uses residual-income test	Up to 45–50% with automated approval	Strict — usually 43% max, deep scrutiny	Similar to FHA, plus household income cap of 115% of area median
Mortgage insurance	1.75% upfront (can be financed) + 0.55%/year paid monthly	None monthly — one-time funding fee 1.25–3.3% (financeable; waived with service-connected disability)	Monthly PMI until 20% equity — cancellable at 80%, automatic at 78%; none with 20% down	Typically none (larger down payments)	1% upfront + 0.35%/year
Bankruptcy wait (Ch. 7)	2 years	2 years	4 years	4–7 years (varies by lender)	3 years
Foreclosure wait	3 years	2 years	7 years	7 years	3 years

Short sale wait	3 years	2 years	4 years	4–7 years	3 years
Occupancy	Primary residence only (1–4 units, live in one)	Primary residence only	Primary, second home, or investment	All occupancy types	Primary residence only
Other requirements	Condos need FHA approval (single-unit approvals possible)	Certificate of Eligibility: active military, veterans, surviving spouses	None special	Cash reserves of 6–12 months often required	Home must be in a USDA-eligible area; many Atlanta and Orlando exurbs qualify

FHA: The Second-Chance Workhorse

FHA exists to make homeownership possible with imperfect credit or a small down payment: 580 score, 3.5% down, and the shortest waiting periods after credit events alongside VA. The cost is mortgage insurance on both ends — upfront and monthly — and with less than 10% down, the monthly portion lasts the life of the loan. The classic play: buy with FHA now, refinance into conventional once your credit and equity grow.

VA: The Best Deal in Lending

Zero down, no monthly mortgage insurance, forgiving credit standards, and — since 2020 — **no loan limit** for borrowers with full entitlement. If you or your spouse served in the U.S. military, this is almost always the first loan to check. The one-time funding fee is waived entirely for veterans with a service-connected disability.

Conventional: The Flexible Default

The loan most buyers with a 620+ score end up comparing everything else against. First-time buyer programs go as low as 3% down, PMI is temporary and cancellable, and it's the only one of the five that finances **second homes and investment properties**. The stronger your credit, the harder conventional is to beat.

Jumbo: For the Big Purchase

Any loan above the conforming limit ($832,750 in 2026) is a jumbo. Because the bank can't sell these to Fannie Mae or Freddie Mac, the file gets more scrutiny: higher scores, bigger down payments, cash reserves. Pricing is often surprisingly competitive — but the underwriting is not casual.

USDA: Zero Down, Outside the City

The best-kept secret for buyers open to living beyond the suburbs: 0% down, modest fees, and flexible credit — in exchange for two boxes: the home must sit in a USDA-eligible area (more of Georgia and Florida qualifies than people expect — check before assuming), and household income must stay under 115% of the area median.

Beyond the Big Five

These five are the government-and-agency lineup — but they all assume an SSN, tax returns, and U.S. credit. If that's not your situation, the wholesale market has lanes the chart doesn't show: **ITIN loans** for taxpayers without an SSN, **bank statement loans** for self-employed borrowers, **DSCR loans** for investors, and **foreign national loans** for buyers living abroad. We have a full guide on each — see the Loan Programs and Investment sections of our guides library.

How to Choose in 3 Questions

1. **Did you or your spouse serve in the military?** Check VA first — it usually wins.
2. **What's your credit score?** 620+ points toward conventional; 580–620 points toward FHA; below that, FHA with 10% down or a credit game plan first.
3. **Where and what are you buying?** Rural-eligible → check USDA. Above $832,750 → jumbo. Investment property → conventional or DSCR.

> **Updated July 2026.** Loan limits change every January and program rules change without notice — accuracy is not guaranteed, and this is education, not a loan offer. The chart shows typical guidelines; individual lenders layer their own requirements on top. As a broker we compare your exact scenario across 50+ lenders in all three languages.

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