
How to qualify for the best mortgage rates you hear advertised

Contributed by Sam Stamper
Thursday, 10 December 2009
Last Updated Thursday, 10 December 2009

Whether you are buying a house, an investment property, or refinancing a current mortgage, there is a long list of variables that determine what rates you will pay. In addition to considering rates, there are still many types of loans available, each with their own eligibility criteria, that can affect your rates, including:

Conforming/Conventional: Conforming loans are those that follow Fannie Mae/Freddie Mac lending guidelines, because approximately 87% of all conforming mortgages are still sold to Fannie or Freddie. Typically conventional loans have a maximum loan amount of 417,000, regardless of where you live in the country.

Jumbo: Jumbo loans are those with loan amounts/balances above \$417,000

High balance conforming: for 2009, the loan amounts that are considered "conforming" have been increased, pursuant to the American Recovery and Reinvestment Act. In areas where the average home prices are higher than Fannie/Freddie conforming limits, "High balance conforming" loans are now eligible for special rates, substantially lower than Jumbo loan rates, but a bit higher than conforming loan rates. [Click here to determine the maximum loan amounts in your area to qualify for High balance conforming loans.](#)