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# Don't Overlook an FHA Loan for Additional Buying Power

I spoke recently with Jaxzann Riggs, owner of **The Mortgage Network**, and she mentioned that FHA loans are gaining in popularity. She gave me reasons:

At the beginning of the decade, many first-time homebuyers favored conventional loans because even with a small downpayment they could anticipate a rate of appreciation that would allow them to eliminate the monthly mortgage insurance premium in the first 3-5 years of home ownership.

Let's start with clarity: FHA loans do include mortgage insurance for the life of the loan. That's often the headline — and where the conversation stops. But it shouldn't.

In today's market, FHA interest rates are typically about 0.5% lower than conventional loans, and the monthly mortgage insurance payment is often remarkably similar between the two. More importantly, unless a borrower plans to make significant extra principal payments, most won't keep a conventional loan long enough to ever see that mortgage insurance removed. On a conventional loan the borrower's loan-to-value ratio must be at or below 78% before lenders are required to remove the insurance.

The reality is simple: most first-time buyers move within 5 to 7 years. In that window, the lower FHA rate often creates a more affordable monthly payment, even

with lifetime mortgage insurance. And there's another key advantage many buyers and even some agents overlook: FHA allows the seller to contribute up to 6% of the purchase price toward closing costs and interest rate buy-downs.

That changes everything. Instead of negotiating only on price, buyers can negotiate terms that directly improve affordability. Here's what that looks like in practice:

A buyer purchases a \$750,000 home with no seller concessions at a 5.699% FHA rate. The principal and interest payment comes to approximately \$4,195 per month.

Now, take a more strategic approach. The buyer offers \$772,500 — about 3% higher — and negotiates a 3% seller concession (\$22,500). Those funds are used to buy down the interest rate.

The result: a fixed rate of approximately 5.125% and a monthly payment of about \$4,041.

That's a savings of \$154 per month, despite the higher purchase price. While this is a deeply discounted rate that might not make sense for all buyers, the math is relatively simple. In this scenario, the payment savings would be \$55,440 and after accounting for the increased purchase price, the net lifetime benefit is \$32,940. If we can anticipate the

likely duration of ownership, we can find the sweet spot for a discounted rate. The borrower is protected against overpaying for the property through the FHA appraisal process.

This is the shift buyers need to make: stop focusing only on price and start focusing on the monthly mortgage payment.

In today's market, structure matters more than ever. The buyers who understand this are the ones moving forward — while others sit on the sidelines waiting for headlines to change. Waiting has a cost. Rents continue, home prices remain supported by low inventory, and opportunities like seller-funded

buydowns don't last forever. The better approach is to become informed, look at real numbers, and structure the transaction in a way that works for you.

FHA is not a fallback loan. Right now, for many first-time buyers, it may be the most strategic path to ownership.

Jaxzann has over 30 years of experience, is a former FHA underwriter and she would be happy to walk you through loan options. You can reach Jaxzann anytime on her cell phone, 303-990-2992. Find several more paragraphs on this topic on our blog, at <http://RealEstateToday.substack.com>.



## Five Home Design Trends Shaping How We'll Live in 2026

Home design has always evolved with culture, but 2026 is shaping up to be a year when the shift feels especially personal. According to a new design outlook from luxury brokerage Engel & Völkers — reported by Melissa Dittmann Tracey for the National Association of Realtors' *Styled, Staged & Sold* blog — homeowners are no longer chasing trends for trends' sake. Instead, they're making choices rooted in wellness, comfort, and self-expression. It's a refreshing pivot away from the "Instagram-ready" interiors of the past decade and toward homes that genuinely support how people live.

**1. Wellness Takes Center Stage**  
What used to be considered luxury — saunas, cold-plunge areas, meditation corners — is quickly becoming mainstream. But wellness design in 2026 goes far beyond amenities. Homeowners are prioritizing

me? Help me focus? It's a shift that encourages more experimentation and less perfectionism, something buyers increasingly appreciate when touring homes.

### 3. Warm, Earthy Interiors Make a Comeback

After years of cool greys dominating the market, warm tones are back in force. Think clay, spice, taupe, and sun-washed browns. These palettes pair beautifully with textured materials like linen, boucle, and woven accents. The result is a home that feels grounded and deeply comfortable. For sellers preparing a listing, this trend offers an easy opportunity: swapping out a few textiles or accent pieces can instantly warm up a space.

### 4. "Seaside Cool" Without the Beach

Another rising aesthetic is what designers call "Seaside Cool" — a light, airy look inspired by coastal calm rather than nautical kitsch. Layered blues, soft greys, and natural

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