

FHA Loan Guide for New Hampshire, Vermont, and Maine (2026)

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THE SHORT ANSWER

An FHA loan is a mortgage insured by the Federal Housing Administration.

In 2026, the program allows a minimum down payment of 3.5% with a credit score of 580 or higher. It insures loans up to \$541,287 on a single-family home in most New Hampshire, Vermont, and Maine counties.

You have to live in the home.

FHA loans are available down to a credit score of 500 with a higher down payment.

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Why I wrote this

I've been a loan officer for nearly 15 years, and FHA is still the most misunderstood loan I work with.

People think it's only for first-time buyers. It isn't.

People think the loan limit caps the price of the house. It doesn't.

This guide covers how the program works right here, from Lebanon and Hanover to Lake Sunapee, across the river in Vermont, and over in Maine.

No pitch. Just some practical guidelines for you to use in plain English.

FHA at a glance for 2026

The rule	What the FHA program says
Minimum down payment	3.5% with a credit score of 580 or higher
Lower credit scores	10% down with a score from 500 to 579
Loan limit, single-family	\$541,287 in most NH, VT, and ME counties
Loan limit, two-unit	\$693,050 in most NH, VT, and ME counties
Loan limit, three-unit	\$837,700 in most NH, VT, and ME counties
Loan limit, four-unit	\$1,041,125 in most NH, VT, and ME counties
Property types	One to four units, plus condos in approved projects
Who can use it	Anyone who will live in the home, first-time buyer or not
Mortgage insurance	1.75% upfront, plus an annual premium paid monthly
Seller help	Up to 6% of the sale price toward closing costs, prepaids, and points
Gift funds	Allowed from family, an employer, or a close friend with a documented relationship

These are FHA's program rules, set by HUD.

They are not an offer or a quote. Lenders can set standards tighter than FHA's minimums, and every file is different.

1. The 2026 loan limits, county by county

HUD sets a new FHA loan limit for every county each year.

One thing the number doesn't tell you.

It's the most FHA will insure on the loan. It is not a cap on the price of the house.

The limit also climbs with every unit. A three-unit or four-unit home gets a much higher number than a single-family home.

New Hampshire

County	Single-family	Two-unit	Three-unit	Four-unit
Grafton, Sullivan, Merrimack, Belknap, Cheshire, Coos	\$541,287	\$693,050	\$837,700	\$1,041,125
Carroll	\$546,250	\$699,300	\$845,300	\$1,050,500
Hillsborough	\$589,950	\$755,250	\$912,900	\$1,134,550
Rockingham, Strafford	\$962,550	\$1,232,250	\$1,489,500	\$1,851,100

Vermont

County	Single-family	Two-unit	Three-unit	Four-unit
Windsor, Orange, and every county not listed below	\$541,287	\$693,050	\$837,700	\$1,041,125
Chittenden, Franklin, Grand Isle	\$575,000	\$736,100	\$889,800	\$1,105,800

Maine

County	Single-family	Two-unit	Three-unit	Four-unit
Every county not listed below	\$541,287	\$693,050	\$837,700	\$1,041,125
Cumberland, Sagadahoc, York	\$615,250	\$787,650	\$952,050	\$1,183,200

So Lebanon, Hanover, Enfield, Claremont, New London, and Sunapee all share one set of numbers.

So do White River Junction, Norwich, and Woodstock across the river.

Source: HUD Mortgagee Letter 2025-23, announced December 11, 2025. County figures checked against HUD's 2026 limits file on October 6, 2026.

2. What it takes to qualify

FHA was built for buyers who don't fit a perfect mold.

The program sets two credit tiers.

A score of 580 or higher qualifies for the 3.5% minimum down payment. A score from 500 to 579 needs 10% down.

You have to live in the home. FHA expects you to move in within 60 days of closing and plan to stay at least a year.

You do not have to be a first-time buyer. You can have owned before.

Beyond that, underwriting looks at your whole picture: income, debts, and how you've handled credit.

A lower score or a thin credit file doesn't end the conversation. Let's see what's possible for yours.

For a deeper walk through the requirements, read [What Actually Qualifies You for an FHA Loan in NH or VT in 2026.](#)

3. Where the down payment can come from

The 3.5% can come from your own savings. It can also be a gift.

FHA allows a gift from family, from your employer, or from a close friend with a documented relationship.

Not the seller. Not your agent.

Three things make a gift count.

A qualified donor. Someone on the list above.

A gift letter. It names the donor, states the amount, and says in writing that the money never gets paid back.

A paper trail. We document the money leaving the donor's account and arriving in yours.

Here's what most people miss. Cash is the problem.

I love Grandma. Underwriting does not love Grandma's envelope of cash.

If nobody can prove where the money came from, it can't count.

So call me before any money moves, and I'll walk you through it.

FHA can also pair with down payment help from state housing agencies, including New Hampshire Housing, VHFA in Vermont, and MaineHousing.

Those programs change often, so ask me what's available right now.

4. What the seller can pay

FHA lets a seller put up to 6% of the sale price toward your closing costs, prepaid items, and points.

That's negotiated in your offer, so it's a conversation for you and your agent.

Two limits to know. The seller's help can't go toward your down payment, and it can't be more than your actual costs.

Used well, it means less cash leaves your pocket at the closing table.

This is where teamwork matters.

A knowledgeable mortgage professional and a knowledgeable Realtor, working together, can structure the deal properly from the start.

5. Buying a two-unit to four-unit home

This is the FHA rule that surprises people most.

You can buy a home with up to four units. Live in one and rent the others.

The program's minimum down payment is the same 3.5% it is for a single-family home, with a credit score of 580 or higher.

The loan limits are higher too. In most of our counties that's \$693,050 for two units, \$837,700 for three, and \$1,041,125 for four.

More on this rule and two others: [What FHA Rules Surprise Home Buyers the Most?](#)

Three-unit and four-unit homes carry two extra requirements. The rents have to be able to cover the payment on paper, and FHA wants to see three months of payments in reserve after closing.

So a duplex in Lebanon or Claremont is on the table. Your first home can come with a tenant.

6. What the home itself has to pass

Every FHA loan needs an FHA appraisal.

The appraiser looks at value, and at whether the home is safe, sound, and secure.

Around here, that matters. A lot of our homes are older, and a lot of them sit on a private well and septic.

A few things that come up often:

- Peeling or chipping paint on a home built before 1978
- A roof near the end of its life
- Missing handrails, or a heating system that doesn't work
- Questions about the well or the septic system

None of these kills a deal by itself. It usually means a repair before closing.

Better to know early, which is why I ask about the house on our first call.

One more thing.

The appraisal is not a home inspection. Your Realtor may recommend you also get a home inspection.

7. Mortgage insurance, in plain English

FHA's flexibility comes with a trade-off. Every FHA loan carries mortgage insurance.

There are two parts.

The upfront premium. It's 1.75% of the loan amount. Most buyers roll it into the loan instead of paying it at closing.

The annual premium. It's paid monthly as part of your payment. HUD sets it at 0.55% of the loan amount per year for most 30-year FHA loans at the minimum down payment.

How long it lasts depends on your down payment.

Put down less than 10% and it stays for the life of the loan. Put down 10% or more and it runs for 11 years.

Is that trade worth it? Sometimes yes, sometimes no.

It depends on your numbers, and that's exactly the comparison I run with you.

Source: HUD Mortgagee Letter 2023-05.

8. What to gather before we talk

You don't need any of this to ask a question. When you're ready to move, it speeds things up.

- Your two most recent pay stubs
- W-2s for the last two years
- Tax returns for the last two years if you're self-employed
- Two months of bank statements, all pages
- A photo ID
- If a gift is involved, the donor's name and relationship to you

Frequently asked questions

Can I use gift money for my FHA down payment?

Yes. FHA allows the down payment to come from a gift, as long as the donor qualifies, there's a signed gift letter, and the transfer is documented bank to bank.

Family, an employer, or a close friend with a documented relationship can give. The seller and your agent cannot.

Is the FHA loan limit the most I can pay for a house?

No.

The limit is the most FHA will insure on the loan. It isn't a cap on the price.

In most New Hampshire, Vermont, and Maine counties the 2026 limit is \$541,287 on a single-family home. A buyer can pay more than that by bringing a larger down payment.

Do I have to be a first-time buyer to get an FHA loan?

No. FHA is open to repeat buyers too.

The rule is occupancy. You have to live in the home as your primary residence.

Can I buy a duplex or a multi-family home with an FHA loan?

Yes. FHA covers homes with up to four units when you live in one of them.

The program's minimum down payment stays at 3.5% with a credit score of 580 or higher. Three-unit and four-unit homes have added requirements for rental income and reserves.

Can the seller pay my closing costs on an FHA loan?

Yes. FHA lets a seller contribute up to 6% of the sale price toward your closing costs, prepaid items, and points.

It can't cover your down payment, and it has to be written into your purchase agreement.

How long do I pay mortgage insurance on an FHA loan?

It depends on your down payment.

Under HUD's current rule, a down payment under 10% means the annual premium stays for the life of the loan. With 10% or more down, it lasts 11 years.

Can I buy a condo with an FHA loan?

Yes, if the condo project is FHA-approved, or if the individual unit qualifies for FHA's single-unit approval.

Not every project qualifies, so check before you write an offer. I can look it up for you.

Will an older New England home pass an FHA appraisal?

Often, yes.

FHA looks for a home that is safe, sound, and secure. It doesn't have to be new.

Common fixes are peeling paint on homes built before 1978, worn roofs, and missing handrails. A private well and septic system are fine when they meet FHA's standards.

Your next step

If you're wondering whether FHA fits your situation, ask me.

No pressure, and it costs nothing to find out where you stand.

Apply for a Mortgage Now

Book a Call

Or call or text [\(603\) 605-8327](tel:6036058327)

Read the latest version online: [GetHelpLending.com/fha-guide](https://gethelp.lending.com/fha-guide) | [The FHA purchase loan page](#)

I work with buyers across the Upper Valley and the Lake Sunapee region, and throughout New Hampshire, Vermont, and Maine.

More FHA videos

- [What FHA Rules Surprise Home Buyers the Most?](#) (video and post)
- [How Much Can I Borrow With an FHA Loan in the Upper Valley in 2026?](#) (video and post)
- [Can My Parents Give Me the Down Payment on an FHA Loan?](#) (video and post)
- [What actually qualifies you for an FHA loan in NH or VT in 2026](#) (video and post)

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Program rules can change, and all loans are subject to credit approval and underwriting.

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