

Seller-concession quick reference

Check the program, occupancy, value and actual eligible costs before finalizing an offer.

Loan / transaction	Ceiling	Calculation base
Conventional primary / second home: LTV/CLTV above 90%	3%	Lower of price or appraised value
Conventional primary / second home: LTV/CLTV 75.01-90%	6%	Lower of price or appraised value
Conventional primary / second home: LTV/CLTV 75% or less	9%	Lower of price or appraised value
Conventional investment property	2%	Lower of price or appraised value
FHA	6%	Sales price
VA defined seller concessions	4%	VA reasonable value
USDA Guaranteed	6%	Sales price; program exclusions apply

The VA distinction matters

The 4% ceiling is not a blanket cap on ordinary seller-paid closing costs. Ask the lender to classify funding-fee credits, prepaid items, debt payoff and closing-cost credits correctly.

Use the table with the actual transaction

Conventional rows summarize Fannie Mae guidance. LTV is loan-to-value; CLTV includes applicable subordinate financing. Credits must fit eligible costs and program rules. Do not assume unused credits become cash back or can replace the down payment. Confirm agent compensation, rebates and buydowns separately.

Sources and full explanation: therfg.com/seller-concessions/. That page links to Fannie Mae B3-4.1-02, HUD seller-contribution guidance, VA closing-cost guidance and USDA HB-1-3555 Chapter 6.

Educational planning only. Not a quote, approval or commitment to lend. Verify current program and lender requirements for the specific borrower, property and transaction. Equal Housing Opportunity.