



**Barbara Corcoran's
Advice in Tallahassee**



RESOURCES

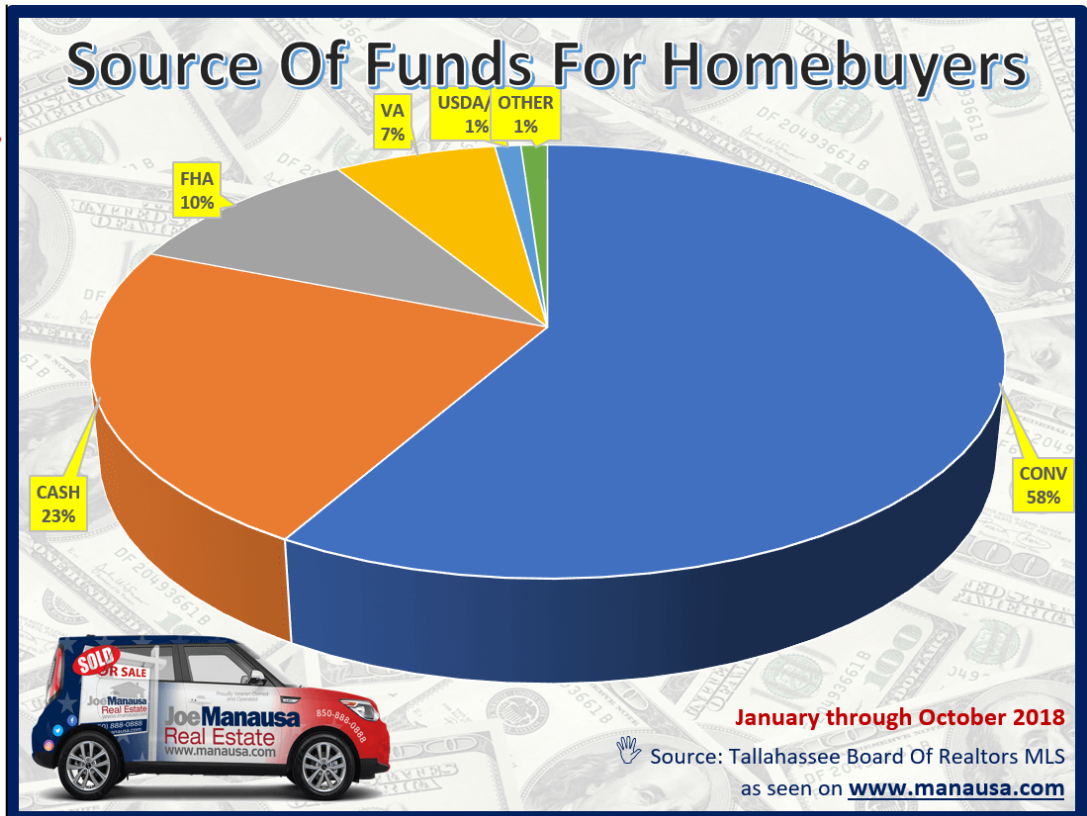
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Where Homebuyers Get Their Money



With Tallahassee having one of its top 4 best years ever for home sales, I often get the question “where are all these buyers getting their money?”

Well, a quick look at the 3,665 home sales to date this year in the MLS shows that more than three quarters of them (77%) are borrowing money and more than half of them are specifically using a conventional loan.

A conventional loan is a mortgage that is not guaranteed or insured by any government agency, including the Federal Housing Administration (FHA), the Farmers Home Administration (FmHA) and the Department of Veterans Affairs (VA). It is typically fixed in its terms and rate.

Average Purchase Price By Loan Type

- ◆ Conventional: \$257,500
- ◆ Cash: \$176,000
- ◆ FHA: \$164,000
- ◆ VA: \$251,000
- ◆ USDA/RD: \$163,000
- ◆ Other: \$181,000

This year, government backed loans have accounted for nearly 1 of every 5 loans (18%), yet we have seen this figure as high as 42% in 2009 and as low as 5% in 2005.

Perhaps we can use this as a bellwether for changing conditions, alerting us to an over-loosening of conventional lending requirements that could lead us to another housing market collapse.