A GUIDE FOR VACATION HOME BUYERS

2ND

SECOND HOME LOANS: YOUR PLACE TO GET AWAY

Lake house, camp or ski condo.

What counts as a second home, how it differs from an investment property, the down payment and qualifying rules, renting it out occasionally and where buyers are looking in our region.



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START HERE

DREAMING OF THE LAKE? LET'S MAKE IT REAL.

From **Lake George** and the **Adirondacks** to **Saratoga** in August and the **Catskills** in ski season, the Capital Region is surrounded by places people want to escape to. A second home lets you have one of your own.

Second home loans usually have **better rates and lower down payments** than investment property loans, as long as the home is truly for your own use. Knowing the difference matters.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. Read this, then call me before you start shopping. I'll show you how two house payments fit your budget.

Brian

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WHAT COUNTS AS A SECOND HOME

A home you use yourself, part of the year.

A second home is a property **you and your family use** for part of the year, in addition to your primary home. Lenders have specific rules about what qualifies.

1. **YOU USE IT**
   You or your family occupy it for some of the year.

2. **ONE UNIT**
   A single-family home, condo or townhome. No multi-family.

3. **YEAR-ROUND SUITABLE**
   It should be livable in all seasons.

4. **NOT A FULL-TIME RENTAL**
   It can't be controlled by a rental management company.

GOOD TO KNOW: Lenders generally expect a second home to be a reasonable distance from your primary home, like a lake house, not a house down the street.

WHO SECOND HOME LOANS FIT

Built for buyers who want a getaway of their own.

USUALLY A GOOD FIT

- You want a vacation or weekend home
- You spend part of the year elsewhere
- You're planning for retirement in a new area
- You have room in your budget for two payments
- You have at least 10% to put down
- You have savings for reserves

KNOW GOING IN

- Expect **at least 10% down**
- You'll qualify with **both housing payments**
- **Reserves** are usually required
- FHA, VA and USDA **can't** be used
- Rental income usually **can't** help you qualify
- Insurance in rural or lake areas can cost more

REAL TALK: If you're planning to rent it out most of the year, it's an investment property, not a second home. Being upfront protects you.

SECOND HOME VS. INVESTMENT PROPERTY

How you use it changes the loan.

	SECOND HOME	INVESTMENT PROPERTY
MAIN USE	You and your family	Renting to others
TYPICAL MINIMUM DOWN	10%	15–25%
RATES	Close to primary home rates	Higher
RENTAL INCOME	Usually can't be used to qualify	Can count toward qualifying
UNITS	1 unit only	1–4 units

BE HONEST ABOUT OCCUPANCY

Calling a rental a second home to get a better rate is mortgage fraud. If your plans are mostly rental, I'll set you up with the right investment loan instead.

LOAN OPTIONS FOR SECOND HOMES

Conventional is the most common choice.

CONVENTIONAL

As little as **10% down** for a second home within conforming limits.

JUMBO

For higher-value lake and resort homes above the conforming limit.

NON-QM

Self-employed or using assets? Bank statement and asset-based programs can finance second homes.

NOT ELIGIBLE

FHA, VA and USDA loans are for primary homes only.

GOOD TO KNOW: Ask for my jumbo, bank statement and asset utilization guides if they fit your situation.

WHAT IT COSTS: AN EXAMPLE

A lake house, step by step.

Here's how a conventional second home loan might look on a $400,000 lake house. Your price, rate, taxes and insurance will be different.

Purchase price	**$400,000**
Down payment (10%)	**($40,000)**
Loan amount	**$360,000**
Plus: reserves you'll need in the bank	**Varies**
MORTGAGE INSURANCE WITH 10% DOWN	**YES, UNTIL 80% LTV**

EXAMPLE ONLY. NOT A RATE QUOTE OR LOAN ESTIMATE.

20% DOWN
Put 20% down and skip mortgage insurance entirely.

TAXES
Lake and resort towns often have higher property taxes.

INSURANCE
Waterfront and rural homes may need extra coverage.

QUALIFYING WITH TWO PAYMENTS

Your income has to cover both homes.

Lenders add your **new second home payment** to your existing housing payment and other debts. Your debt-to-income ratio has to work with both.

DEBT-TO-INCOME

Both housing payments, plus car loans, cards and other debts, compared to your income.

RESERVES

Months of payments in savings after closing, often for both homes.

CREDIT

Higher scores mean better rates and easier approval.

DOWN PAYMENT

Must come from your own funds. Gifts may be limited.

STRONG CREDIT, SOLID DOWN PAYMENT	The most program choices and the best pricing. Usually the smoothest path.
MIDDLE OF THE RANGE	Still plenty of options. Rate, down payment and reserves vary more from program to program.
SCORES ON THE EDGE	Fewer programs fit, and the down payment carries more weight. This is where shopping the file matters most.

RENTING IT OUT SOMETIMES

Occasional rentals are often allowed. Full-time isn't.

USUALLY OK	USUALLY NOT OK
Occasional rentals when you're not using it, as long as you still use it yourself and keep control of the home.	Rental agreements that give a management company control over who stays and when, or renting it most of the year.

SHORT-TERM RENTAL RULES

Many lake and resort towns have their own short-term rental laws, permits and taxes. HOAs may have rules too. Check before you buy if renting is part of your plan.

GOOD TO KNOW: Rental income from a second home usually can't help you qualify. If you need it to qualify, it may need to be an investment property loan.

COMMON MISTAKES THAT DELAY APPROVAL

Most of these are easy to fix ahead of time.

1 MISSTATING OCCUPANCY
A rental isn't a second home. Be upfront.

2 FORGETTING RESERVES
You may need reserves for both homes.

3 UNDERESTIMATING INSURANCE
Waterfront and rural policies can cost more.

4 SEASONAL ACCESS
Homes without year-round access may not qualify.

5 WELL AND SEPTIC
Lake homes often need water and septic tests.

6 IGNORING LOCAL RENTAL LAWS
Check short-term rental rules first.

7 NEW CREDIT DURING THE LOAN
Hold off on new cards or financing.

8 STARTING TOO LATE
Get pre-approved before you fall in love with a view.

REAL TALK: Almost every one of these is avoidable with a 15-minute conversation before you apply. That's the cheapest time to fix a problem.

WHERE BUYERS ARE LOOKING

Getaways within a short drive of home.

LAKE GEORGE

Waterfront and lake-view homes. Expect higher prices and insurance on the water.

SARATOGA SPRINGS

A summer favorite. Condos and homes near downtown and the track.

THE ADIRONDACKS

Camps and cabins. Check access, septic and Adirondack Park rules.

THE CATSKILLS & BERKSHIRES

Ski and getaway homes within easy reach of the Capital Region.

CAMPS AND SEASONAL HOMES

Some camps don't have year-round access, heat or water. Those may need special financing, or may not qualify for a standard loan. Tell me about the property early.

REAL TALK: A great getaway can also be a smart long-term asset. Make sure the payment fits comfortably alongside your primary home.

12 · GET ORGANIZED

DOCUMENT CHECKLIST

Have these ready, and the process moves a lot faster.

- [ ] Most recent mortgage statement for your primary home
- [ ] W-2s and tax returns, last 2 years
- [ ] Retirement or investment statements, for reserves
- [ ] Property tax bill
- [ ] Government-issued photo ID
- [ ] Pay stubs covering the last 30 days
- [ ] Bank statements, last 2 months, all pages
- [ ] Homeowners insurance quote for the second home
- [ ] HOA documents, if a condo
- [ ] Purchase contract, once you have one

Every situation is a little different. I'll give you the exact list for your scenario before you gather anything.



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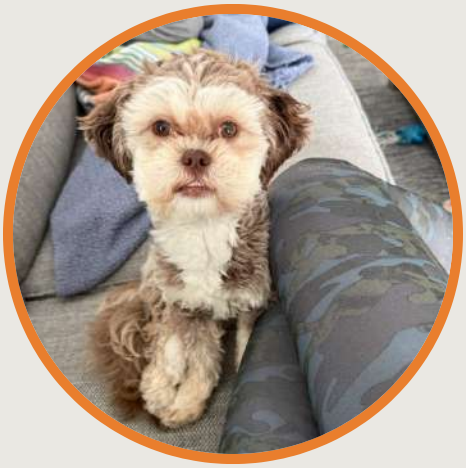
BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY

This guide is for educational purposes only and is not a loan commitment or guarantee of approval. All loans are subject to credit, income, asset, property and appraisal approval; not all applicants will qualify. Second home financing requires that the property be occupied by the borrower for some portion of the year, be suitable for year-round use, be a one-unit dwelling and not be subject to rental arrangements that give a management company control over occupancy; requirements vary by program. Misrepresenting occupancy is mortgage fraud. Down payment, reserve and rental income guidelines are set by Fannie Mae, Freddie Mac and individual lenders and are subject to change. Short-term rental use may be restricted by program, homeowners association or local law. Examples are illustrations only and are not a rate quote or Loan Estimate. Program availability and guidelines are subject to change without notice. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

PENNY'S CORNER

A few words from our Chief Belly-Rub Officer.



PENNY SAYS

CHIEF BELLY-RUB OFFICER

A lake house? Count me in. I've heard Lake George has excellent sticks.

Dad will show you how two house payments fit your budget. Just be honest about how you'll use it. I'm always honest. Ask me who ate the couch cushion.

CONNECT WITH PENNY ON FACEBOOK

Tips, updates and plenty of Penny.

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