



Overview of

First-Time Home Buyer Programs

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First-time home buyer programs are a series of incentives and mortgage loans that expand the accessibility of home buying in the United States. These programs are supported by both governmental bodies and public/private financial institutions. They include various types of mortgages such as:

- 1. Low-Down Payment Mortgages:** These mortgages require a down payment of 5% or less, making homeownership more accessible.
- 2. No-Down Payment Mortgages:** Ideal for those who cannot afford a down payment, these mortgages require no initial financial contribution.
- 3. Special Interest Rate Mortgages:** Tailored for first-time buyers, offering discounts on interest rates.
- 4. Flexible Approval Mortgages:** Easier approval standards tailored for first-time buyers.
- 5. Profession-Based Mortgages:** Offering advantageous terms for individuals in certain professions.





Key Mortgage Programs for First-Time Buyers

The U.S. government backs several mortgage programs for first-time home buyers, endorsing over a million loans annually. It's important to note that the No Closing Cost Mortgage, while beneficial to first-timers, is not exclusively a first-time buyer program.



Fannie Mae

VA

U.S. Department
of Veterans Affairs

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1. FHFA First-Time Home Buyer Mortgage Rate Discount

Announced in 2023, this Federal Housing Finance Agency program offers reduced mortgage rates for low-to-moderate income first-time home buyers. Eligible buyers receive a mortgage rate discount automatically, without the need for a separate mortgage application. More information is available on the [FHFA website](#).

2. HomeReady

A Fannie Mae program, HomeReady requires a minimum 620 FICO score and offers a 3% down payment loan with reduced rates for low- and moderate-income buyers. Details can be found at [Fannie Mae's HomeReady page](#).

3. Home Possible

Similar to HomeReady, Freddie Mac's Home Possible program requires a 660 FICO score and caters to low- and moderate-income home buyers. For more information, visit [Freddie Mac's Home Possible page](#).

4. Conventional 97

A low-down payment mortgage available as a 30-year fixed-rate option for those who do not qualify for HomeReady or Home Possible, requiring a 620 FICO score. More details can be found on [Fannie Mae](#) and [Freddie Mac](#) websites.

5. FHA Mortgage

Originating from the New Deal, the FHA mortgage is a 3.5% downpayment loan backed by the Federal Housing Administration (FHA), suitable for residential properties. It requires a minimum 580 FICO score. More information is available on the [HUD website](#).

6. USDA Mortgage

A 100% financing option provided by the U.S. Department of Agriculture for homes in non-urban areas. More details can be found on the [USDA Rural Development website](#).

7. VA Mortgage

Available to military members, veterans, and their families, offering 100% financing without mortgage insurance, with a minimum 620 credit score requirement. For more information, visit the [VA Home Loans page](#).

Exploring First-Time Home Buyer Grants

First-time home buyer grants are cash awards given to new homeowners at the time of their home purchase. These grants are offered by various government levels, charitable organizations, and housing foundations and do not require repayment.

Notable Grants for New Homeowners

Recently, Congress has put forward several bills providing tax credits and cash grants to home buyers, including significant incentives like the \$15,000 First-Time Home Buyer Tax Credit and the LIFT Act.

1. National Homebuyers Fund

Offers up to 5% of a home's purchase price as a grant, requiring the buyer to reside in the home for a specified period. For more information, visit the [National Homebuyers Fund website](#).

2. Forgivable Mortgages

These are released after meeting certain conditions, such as maintaining on-time payments for a set period.

3. HUD Discounted Homes

The [Good Neighbor Next Door program](#) allows certain public service workers to purchase discounted foreclosed properties in low-income areas where they work. This program by the U.S. Department of Housing and Urban Development sells repossessed homes at a discount to certain public service professionals. More details can be found on the [HUD website](#).

4. Closing Cost Assistance Programs

These programs cover up to 100% of a buyer's closing costs, subject to certain conditions. Information on these programs is available through the [National Council of State Housing Agencies](#).

5. Down Payment Assistance Programs (DPA)

Offered by various state and local governments, these grants assist with home affordability. Visit local government websites for specific information on available programs in your area.

6. Down Payment Loans

Provided by non-profit and community organizations, these loans cover down payments at low interest rates. Check with local housing administrations for availability.

7. Deferred Mortgages

Require no repayment while living in the home, becoming payable only upon selling or refinancing. Offered by local governments and foundations, typically for first-time buyers with incomes below area averages.

Congressional Support for Home Buyers

Congress has a long history of supporting first-time home buyers. Recent bills include:

1. \$15,000 First-Time Home Buyer Tax Credit

A proposed tax credit offering up to \$15,000 in tax liability refund for first-time home buyers.

2. \$25,000 Downpayment Toward Equity Cash Grant

Aims to provide up to \$20,000 to first-generation home buyers and an additional \$5,000 to buyers from disadvantaged backgrounds.

3. DASH Act

A comprehensive bill including a \$15,000 tax credit for low- and moderate-income buyers.

4. HELPER Act

Exempts certain professionals like teachers and first responders from downpayment and monthly mortgage insurance requirements.

For more information on first time buyer programs,
feel free to reach out to me so that I can connect you
with trusted lender partners and resources.



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