



Comprehensive First-Time Homebuyer Guide

(Conventional, FHA, VA & Down Payment Assistance Options.)

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INTRODUCTION

Buying your first home is a major milestone — and this guide is designed to keep everything simple, easy, and stress-free. Whether you're using a Conventional loan, FHA loan, VA loan, or down payment assistance, this guide explains your options in a clear and understandable way.



1. CONVENTIONAL LOANS FOR FIRST-TIME BUYERS

Conventional loans are one of the most popular choices for first-time buyers.

Key Benefits:

- Down payments available starting at just 3 percent
- No upfront mortgage insurance premium
- Mortgage insurance can be removed once you reach 20 percent equity
- Competitive interest rates

Basic Requirements:

- Generally higher credit score expectations
- Stable income and employment
- Property must be a primary residence for the 3 percent down option

Best For:

- Buyers with good credit
- Buyers who want mortgage insurance removed later
- First-time buyers wanting a strong long-term financing option

2. FHA LOANS FOR FIRST-TIME BUYERS

FHA loans are great for buyers who need more flexible credit guidelines or a smaller down payment.

Key Benefits:

- 3.5 percent down payment option
- Flexible credit and debt-to-income guidelines
- Low interest rates
- Down payment can come from family, employer programs, or grants

Basic Requirements:

- Property must be your primary residence
- FHA mortgage insurance (MIP) applies
- Home must meet FHA property safety standards

Best For:

- Buyers with limited savings
- Buyers recovering from past credit challenges
- Buyers who want easier approval requirements

3. VA HOME LOANS FOR ELIGIBLE FIRST-TIME BUYERS

VA loans are the best option available for eligible active duty service members, veterans, and certain surviving spouses.

Key Benefits:

- Zero down payment
- No monthly mortgage insurance
- Competitive low interest rates
- Flexible credit requirements
- Ability to use the benefit more than once

Basic Requirements:

- Valid Certificate of Eligibility (COE)
- Primary residence purchase
- Meets VA property requirements

Best For:

- Active duty military
- Veterans
- National Guard and Reserves
- Eligible surviving spouses

4. DOWN PAYMENT ASSISTANCE OPTIONS

Down Payment Assistance (DPA) programs help first-time buyers get into a home even with limited funds.

Types of Assistance:

- Grants (money you do NOT have to repay)
- Forgivable loans (balance forgiven after a set time)
- Deferred loans (no payments until you sell or refinance)
- Low-interest second mortgages

General Benefits:

- Helps cover down payment and/or closing costs
- Can be paired with Conventional, FHA, and sometimes VA loans
- Makes homeownership more accessible for buyers with limited savings

General Requirements:

- Income limits may apply
- Must be a primary residence
- Completion of a homebuyer education course may be required

Best For:

- Buyers needing help with upfront costs
- First-time buyers with stable income but minimal savings

5. THE 5 MOST COMMON FIRST-TIME BUYER MYTHS

Myth 1: “You need 20 percent down to buy a home.”

Truth: Most first-time buyers put far less down — many as low as 3 percent.

Myth 2: “You must have perfect credit.”

Truth: FHA allows flexible credit, and even Conventional allows average credit.

Myth 3: “Renting is cheaper than owning.”

Truth: In many areas, owning is cheaper monthly — and builds long-term equity.

Myth 4: “You should wait for interest rates to drop.”

Truth: You can refinance later — but you can't go back in time to lock in prices.

Myth 5: “You can't buy a home with student loans or other debt.”

Truth: Many buyers qualify even with other debts, depending on income and loan program.

SUMMARY

Buying your first home doesn't have to be overwhelming. Whether you choose a Conventional loan with minimal down payment, an FHA loan with flexible requirements, a VA loan with unmatched benefits, or down payment assistance programs, there is an option designed to help you succeed.

Understanding the basics empowers you to make confident decisions and take the next step toward homeownership.

Ready to explore your first-time homebuyer options?

Schedule your free 15-minute strategy call: 📅📅📅
<https://calendly.com/alexvalorhf/15min>