California Home-Loan Options

Every buyer's financial situation is different. The best loan will depend on your income, credit, debts, savings, military status, and the location and condition of the home you want to purchase.

FHA Loan

An FHA loan is backed by the Federal Housing Administration and may be a good option for buyers who have limited savings or need more flexible qualification requirements.

Qualified buyers may be able to purchase a home with a down payment as low as 3.5%. FHA loans require mortgage insurance, which should be included when comparing the total monthly payment and long-term loan cost.

Conventional Loan

A conventional loan is not insured by a federal government agency. Contrary to a common belief, buyers do not always need 20% down.

Some qualified buyers may be able to obtain a conventional loan with as little as 3% down. Buyers who put down less than 20% will generally be required to pay private mortgage insurance, also known as PMI.

Putting 20% down may eliminate PMI, reduce the amount borrowed, and lower the monthly payment, but it requires significantly more money upfront.

VA Loan

VA loans are available to eligible Veterans, active-duty service members, and certain surviving spouses.

The Department of Veterans Affairs does not normally require a down payment, although an individual lender may require one in certain circumstances. VA loans also do not require private mortgage insurance.

To begin, an eligible buyer obtains a Certificate of Eligibility and applies through a participating mortgage lender.

USDA Loan

A USDA loan may be available to qualified buyers purchasing a primary residence in an eligible rural area.

Qualified borrowers may receive 100% financing, meaning no down payment. Income limits and property-location requirements apply, and eligibility must be checked using the specific property address. Buyers apply through a USDA-approved lender.

CalHFA Programs

The California Housing Finance Agency, commonly called CalHFA, offers several first-mortgage and down-payment-assistance options for eligible California homebuyers.

CalHFA programs may be paired with certain:

- FHA loans
- Conventional loans
- VA loans
- USDA loans

Income limits, credit requirements, property requirements, homebuyer education, and other qualifications may apply. CalHFA does not lend directly to buyers; applications are completed through an approved lender.

MyHome Assistance Program

The CalHFA MyHome Assistance Program provides an eligible buyer with a deferred-payment junior loan that may be used toward the down payment or closing costs.

The assistance may be up to the lesser of 3.5% of the purchase price or the property's appraised value. This is a loan—not automatically free grant money—so buyers should ask when repayment will be required.

California Dream For All

California Dream For All is a shared-appreciation down-payment-assistance program for qualifying first-generation homebuyers.

Because it is a shared-appreciation program, the buyer may be required to repay the original assistance plus a portion of the home's appreciation. Availability is limited and applications are not continuously open. The 2026 application portal closed on March 16, 2026, and is not currently accepting new applications.

Local Assistance Programs

Some California cities and counties may also offer down-payment or closing-cost assistance. These programs may have limited funding, income limits, location requirements, purchase-price limits, and homebuyer-education requirements.

Availability can change, so buyers should ask their lender and real estate agent to check for programs offered in the city or county where they plan to purchase.

Which Loan Is Right for You?

There is no single loan option that is best for every buyer. Ask a licensed lender to compare:

- Required down payment
- Interest rate
- Mortgage insurance
- Estimated closing costs
- Total monthly payment
- Cash required at closing
- Income and credit requirements
- Assistance repayment requirements
- Total long-term cost of the loan

Never compare loans based only on the down payment. A loan with less money required upfront may have a higher monthly payment or additional mortgage-insurance costs.

I can connect you with trusted lending professionals who will explain your options, determine which programs you may qualify for, and help you choose financing that fits your budget and homeownership goals.

Loan programs, funding, interest rates, income limits, and qualification requirements can change. This information is educational and does not guarantee approval. Buyers should consult a licensed mortgage professional regarding their individual circumstances.