

CONSUMER GUIDE: ASSISTANCE PROGRAMS

Buying or keeping a home can be financially challenging—but you may not have to do it alone. There are assistance programs designed to help. Here's what you need to know:

What are housing assistance programs, and who are they for? Assistance programs can help people afford buying, keeping, or maintaining a home. These programs exist at the local, state, and federal level and are often tailored to [first-time buyers](#), lower-income households, [veterans](#), seniors, or people with disabilities. Some programs offer help with down payments or closing costs, while others assist with monthly mortgage payments or needed repairs.

How do down payment assistance programs work? These programs provide grants, forgivable loans, or second mortgages that reduce how much you need to bring to the closing table. Some are income-based, while others are tied to the home's location, your profession, especially if you work in public service (such as teaching, healthcare, or emergency response), your participation in an Employer-Assisted Housing ("EAH") program, or the type of home you're buying. You can explore how these programs may factor into your upfront costs by learning more about [preparing for homeownership](#).

Are there programs that help after I've bought a home? Yes. Some assistance programs are available to help you stay in your home if you experience job loss, rising property taxes, or unexpected repairs. For example, there may be state-run mortgage relief programs or nonprofits offering emergency housing support. If you live in a [homeowners association](#), there may also be resources to help with fees or mediation if you fall behind on payments.

Do assistance programs affect how I get a loan or make an offer? Some programs require that you work with specific lenders or take a [homebuyer education course](#). You may also need to include documentation with your loan application or offer to purchase. These extra steps can take time, but they are often worth it—especially if they make homeownership possible sooner than you expected. An agent who is a [REALTOR®](#) can connect you with professionals and information to help navigate what kind of [mortgage or financing](#) plan best suits your needs.

Are assistance programs only for first-time buyers? No. While many programs are designed for people buying their first home, others support long-time residents, people returning to homeownership after a divorce or foreclosure, or households trying to stay in generational homes. There are also programs for teachers, firefighters, service members, and rural buyers that don't require being a first-time buyer. In addition, some companies offer EAH programs, which can include financial help with down payments, closing costs, or even monthly housing expenses. These benefits are often coordinated through Human Resources and can be paired with other local or state assistance.

What else should I consider before applying? Assistance programs can help, but they may come with conditions—such as living in the home for a certain number of years or repaying the funds if you sell too soon. Additionally, securing approval and/or funding may take time, so make sure to factor in sufficient time to complete the process. Always consult with your local lender, real estate professional, and/or attorney and ask questions before signing anything. If you're buying a home that needs updates, some programs can be paired with renovation loans or construction financing.

Where can I learn more? The [U.S. Department of Housing and Urban Development \(HUD\)](#), state housing finance agencies, and community nonprofits are great places to begin your search. You can also find trusted, easy-to-understand resources on [facts.realtor](#), the National Association of REALTORS®' hub for consumer education.

Practices may vary based on state and local law. Consult your real estate professional and/or an attorney for details about state law where you are purchasing a home. Please visit [facts.realtor](#) for more information and resources.

CONSUMER GUIDE: BUYER'S VS SELLER'S MARKETS

The real estate market constantly shifts, and knowing whether conditions favor buyers or sellers can help you make smarter, more confident decisions. Here's how to recognize which type of market you're in and what each means for you:

What is a buyer's market? A buyer's market is when there are more homes for sale than there are people looking to purchase a home. With a greater selection of homes on the market and less competition, buyers typically have more time to shop, negotiate better terms, and may even see price reductions or other purchase incentives.

What is a seller's market? In a seller's market, there are fewer homes available than there are buyers looking to purchase a home, creating a competitive environment where bidding wars and quick sales can be common. While sellers can often secure higher prices and more favorable contract terms, preparing the home properly and [setting a strategic asking price](#) at the outset are still key to attracting strong offers and ensuring a smooth closing.

How can you tell which market you're in? The market type you are in is usually reflected through the pace of sales, how many homes are available, and how close the sale price of a home was to its listing price. In hot markets, homes may sell within days, often well above their asking price. In slower markets, listings stay active longer and require more negotiation. An agent who is a [REALTOR®](#) can advise you on these trends in your specific market and help you interpret how they affect your goals.

What should buyers do in a seller's market? Buyers facing heavy competition should come prepared with a mortgage [pre-approval letter](#), move quickly when a good listing appears, and make strong offers. Waiving contingencies or offering flexible closing terms can also help strengthen your offer. Especially in fast-moving markets, setting a firm budget and walkaway point beforehand helps to ensure you don't overextend yourself when the process gets competitive. When selecting a buyer's agent to help you, be sure to ask [these ten questions](#) to ensure you are working with the agent who is the best fit for your needs.

What should sellers do in a buyer's market? When there are more homes than there are interested buyers, sellers should look to prioritize ways of making their property stand out. This could include competitive pricing, investing in [curb appeal or staging](#), and being flexible on timelines or terms. While it may take longer to sell, a well-presented and appropriately priced home can still draw strong interest even when the overall pace of sales slows. Consider asking potential seller's agents [these ten questions](#) to better understand how they can help you maximize your home's appeal.

Can market conditions change quickly? Yes—markets can quickly shift due to interest rate changes, job growth, seasonal trends, or shifts in consumer confidence. What was a seller's market last year could easily become more balanced, or even buyer-friendly, within months. Staying informed about local trends helps you better anticipate these changes and adjust your strategy accordingly.

Should I wait for a better market? Trying to time the market perfectly can be difficult. In most cases, personal factors—such as lifestyle changes, financial readiness, or long-term plans—are more important than short-term market fluctuations. If you're prepared, [working with a trusted professional](#) can help you navigate conditions as they are and make the best possible decision for your future.

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CONSUMER GUIDE: BUYING LAND AND BUILDING A NEW HOME

When looking to purchase property, buyers may consider purchasing a plot of land or a new construction project instead of an existing home. Here's what prospective buyers should know:

Why might I want to build my own home? Every homebuyer's needs are different. Some buyers may choose to remodel an existing home to fit their needs, while others may prefer to design their dream home from start to finish. Buying land to construct a home allows buyers to customize every aspect of their home.

What are the pros and cons of building a custom home? The key benefit of building a custom home is the ability to tailor every aspect of the home to your preferences. However, the construction process takes time. The design phase—when you work with an architect or builder to map out your home—often lasts three to six months, after which you will need to get the necessary permits and approvals. The construction process can vary based on home size and features, but typically lasts at least 12 to 16 months, and further delays are possible. Building a custom home may also involve additional costs that are not involved when purchasing an existing home, such as architect fees and the costs of materials.

How can I find land for sale? Whether you are open to building a custom home, want to purchase an existing home, or are focused exclusively on buying undeveloped land, an agent who is a [REALTOR®](#) will help you find listings that meet your needs. Like existing homes, plots of land for sale may be listed on [Multiple Listing Services](#), which are online platforms that compile listings from brokerages in a given market. Additionally, agents and brokers that specialize in buying and selling land can advise you on specific considerations for land purchases that you may be unfamiliar with.

What is a construction loan? Construction loans, or self-build loans, are short-term loans that provide funds for home construction, including costs for land, labor, building permits, and materials. They are paid out in a series of installments to cover costs as construction progresses, unlike a [mortgage](#) for an existing home, which is provided in full at the time of purchase. Homeowners who decide to renovate their property may also use construction loans if the available funding through a home equity or renovation loan is too small.

What is the difference between a construction loan and mortgage? Construction loans are short-term loans with a fixed term—often around one year—to cover the period of construction, whereas mortgages are typically longer term, with repayment periods of 15 to 30 years. Additionally, while mortgage borrowers usually make monthly payments on both principal and interest, construction loan borrowers often make interest-only payments during the construction period and then may choose to repay the full balance or convert the loan to a permanent mortgage once the project is complete. Interest rates for construction loans usually are higher and vary based on the market, as opposed to fixed or adjustable rates for mortgages. Lastly, construction lenders may have other requirements for loan approval—like detailed construction plans, budgets, and timelines—on top of the typical requirements for mortgages.

What is “new construction”? In addition to buying land to build a home from scratch, there are other options that fall under the category of new construction. Buyers hoping for a shorter timeline can cut time in the design process by selecting a stock building plan, which is a pre-designed home that still allows for customization of elements like the layout, number of levels, exterior, and other features. Another option is spec homes, which are homes that are currently under construction or recently completed. Buyers' ability to customize a spec home will depend on how far along the construction process is. For example, if the home is still in the early stages of building, buyers may be able to choose things like flooring, lighting, tiles, countertops, cabinets, and vanities.

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CONSUMER GUIDE: DO YOU NEED PRIVATE MORTGAGE INSURANCE?

When you're buying a home for the first time, there are plenty of new terms to learn. One that can cause confusion is *private mortgage insurance, or PMI*. PMI is an insurance policy that protects the lender in case you default on the loan. You'll likely be required to purchase PMI if you are buying a home using a conventional mortgage and you are putting down less than 20% of the purchase price.

How does it work?

Your lender will arrange for the PMI policy as part of your conventional loan. PMI is usually offered by private mortgage insurance companies. Most often, you pay the cost as part of your monthly mortgage payment. Some lenders may offer the option to pay a lump sum at closing to cover the PMI, or a combination of an upfront fee and monthly payments.

How much does PMI cost?

The cost varies based on factors such as your loan amount, down payment amount, credit score and mortgage type (fixed vs. adjustable rate). Typically, it can range from 0.2% to 2% of your loan amount each year. Freddie Mac's [private mortgage insurance calculator](#) helps you determine the monthly PMI you'd typically pay with a 5%, 10% or 15% down payment.

Can you avoid PMI?

Yes. If you put down 20% or more of the purchase price, you do not need PMI. Other options that avoid PMI include getting a VA or USDA loan (if eligible), lender-paid mortgage insurance (LPMI), or a piggyback loan (taking out a second loan to meet the 20% down payment amount). However, all of these come at a cost, so the options should be carefully considered.

Can you cancel PMI insurance?

Yes. When your principal balance (the amount you owe on your mortgage), falls to 80% or below of the original home value, you can request that your lender cancel the policy. If your home has increased in value, you may be able to meet the 20% equity requirement sooner by getting your home reappraised or refinancing your loan. Lenders are required to automatically cancel PMI when your loan-to-value (LTV) ratio reaches below 78% or you are halfway through the loan term, whichever comes first. It's a good idea to be proactive and check with your lender when you feel you are at that point. *Note:* Loans insured by the Federal Housing Administration (FHA loans) require an upfront mortgage insurance premium (MIP) and an annual MIP that stays for the life of the loan.

How does the One Big Beautiful Bill Act impact PMI?

On July 4, 2025, the One Big Beautiful Bill Act was signed into law and included a number of tax law changes related to homeownership. It makes permanent the deductibility of mortgage interest paid on up to \$750,000 in qualified indebtedness (\$375,000 for those married filing separately) and [temporarily quadruples the state and local tax deduction](#). **Beginning in 2026, the law also allows taxpayers to deduct PMI as part of their mortgage interest deduction.** However, the PMI deduction isn't available to everyone: PMI can be fully deductible for those with not more than \$100,000 in adjusted gross income (\$50,000 for those married filing separately) and then is phased out. The deduction is fully eliminated for adjusted gross incomes exceeding \$109,000 (for joint returns). And all these deductions are available only to taxpayers who itemize rather than claiming the standard deduction. Consult a qualified tax professional to determine the best tax strategy for your situation.

Your real estate agent can help you navigate the purchase of a home; consult an attorney for guidance on the laws in the state where you're purchasing. And remember: Agents who are REALTORS® are obligated under NAR's Code of Ethics to work in your best interest. Please visit facts.realtor for more information and resources.

CONSUMER GUIDE: HOW TO PROTECT AGAINST REAL ESTATE WIRE FRAUD

Buying a home is an exciting milestone and major investment for you and your family. You can keep your investment safe by being mindful that real estate transactions are sometimes targeted by scammers attempting to perpetrate [wire fraud](#). Annual losses from wire fraud amounted to \$446.1 million in 2022, according to the most recent statistics available from the FBI's Internet Crime Complaint Center (IC3). The best way to reduce your risk is to work with professionals, including a REALTOR®, a member of the National Association of REALTORS®.

What is wire fraud?

Wire fraud is a scam using electronic communications to divert money to the bank accounts of cybercriminals.

How does real estate wire fraud work?

Cybercriminals target the participants in a real estate transaction, including buyers, sellers, real estate attorneys, title companies, and real estate brokers and agents. These scammers hack into email accounts, monitor the progress of the transaction, and wait for just the right moment when the transfer of funds is necessary for the closing. Then, they send the buyer an email with a change in payment type (from check to wire transfer) or a change from one bank account to the cybercriminal's account. These sophisticated fraudulent emails mimic the real person's identity using company logos and email addresses that are very close but off by a letter or number.

Why are scammers targeting real estate transactions?

A home sale is a large financial transaction that involves a mountain of paperwork—today usually handled electronically—and conducted by buyers who are sometimes unfamiliar with the process. Scammers prey on buyers' excitement and confusion.

How can you protect yourself against wire fraud?

- **Be informed.** At the beginning of the homebuying process, talk with your real estate agent about each step—including the transfer of funds for earnest money, down payment and closing. Make sure you know how you can verify any requests independently.
- **Verify wiring instructions.** If funds will be wired electronically, get instructions—in person, if possible—from the recipient. If you receive instructions through a different method, confirm them in person or through a phone call with the recipient using a trusted phone number.
- **Be suspicious of last-minute changes by email or voicemail.** Title companies and lenders have processes in place that shouldn't suddenly change. Examine any last-minute change or request for information carefully. Does the language make sense? Does it come from a verified email address?
- **Call a trusted source before and after you wire funds.** Pick up the phone and use a number you know (not one in the suspicious email or voicemail) to verify the legitimacy of any last-minute request. Don't wire any money without confirming the information with a trusted source. When you are responding to legitimate funding instructions, call to confirm receipt of funds immediately using a known number.
- **Act fast if you suspect fraud.** If, despite your best efforts, you suspect you've been a victim of wire fraud, contact your bank to try to stop the fund transfer and report it immediately to the FBI's [Internet Crime Complaint Center \(IC3\)](#).

For more information, visit the [Coalition to Stop Real Estate Wire Fraud](#).

Your real estate agent will help you navigate the sale of your home. An attorney can provide guidance on the laws in the state where you're purchasing. And remember: Only real estate professionals who are members of the National Association of REALTORS® may use the term REALTOR®, and they are obligated under NAR's Code of Ethics to work in your best interest. Please visit [facts.realtor](#) for more information and resources.