The New York FHA Loan Guide for First-Time Buyers

An FHA loan is a mortgage insured by the Federal Housing Administration. It exists so that buyers with modest savings or an imperfect credit history can still own a home. This guide covers what FHA financing looks like in New York State for calendar year 2026, and how it pairs with New York's own first-time buyer programs.

Why buyers choose FHA

— 3.5% down with a credit score of 580 or higher (10% down from 500–579).

— Gift funds from family are allowed for the entire down payment.

— More forgiving of past credit events than most conventional loans.

— Assumable — a future buyer may be able to take over your rate.

— 1–4 unit properties qualify if you live in one of the units.

2026 FHA loan limits in New York

HUD sets a maximum FHA loan amount per county each year. For FHA case numbers assigned on or after January 1, 2026, the national floor is $541,287 and the high-cost ceiling is $1,249,125 for a one-unit home. New York has 62 counties: 52 at the standard limit and 10 in high-cost areas.

County	1 Unit	2 Units	3 Units	4 Units
Rockland	$1,249,125	$1,599,375	$1,933,200	$2,402,625
Westchester	$1,249,125	$1,599,375	$1,933,200	$2,402,625
New York City (5 boroughs)	$1,249,125	$1,599,375	$1,933,200	$2,402,625
Orange	$541,287	$692,900	$837,350	$1,040,550
Sullivan	$541,287	$692,900	$837,350	$1,040,550

Source: HUD CHUMS calendar-year 2026 forward limits, effective January 1, 2026. Verify your specific county at the HUD FHA Mortgage Limits lookup before you write an offer.

What FHA actually costs

— Upfront mortgage insurance premium (UFMIP): 1.75% of the base loan amount, usually financed into the loan.

— Annual mortgage insurance (MIP): paid monthly; the rate depends on your loan term, loan size and loan-to-value.

— With less than 10% down, MIP stays for the life of the loan — many buyers refinance out of FHA once they have equity.

— Closing costs in New York typically run 2%–5% of the purchase price; sellers may contribute up to 6%.

Stacking FHA with New York State programs

— SONYMA Achieving the Dream — very low fixed rate for qualified low-income first-time buyers, 1–4 family homes, co-ops and condos included.

— SONYMA Low Interest Rate Program — higher income and purchase-price limits with a competitive fixed rate.

— Down Payment Assistance Loan (DPAL) — available with any SONYMA mortgage to help cover down payment and closing costs.

— Many counties and municipalities run their own first-time buyer grants; ask me which ones your target town has.

Your first five steps

— Pull your credit and know your score before a lender does.

— Get pre-approved — not pre-qualified — with a lender who writes FHA loans regularly.

— Set your true budget: mortgage, taxes, insurance, MIP and maintenance.

— Choose your counties. In New York, property taxes vary enormously town to town.

— Call me. I will build the search, the offer strategy and the closing timeline around you.

Prepared by Janive Pena · Licensed Real Estate Salesperson, New York State · Keller Williams Hudson Valley, New City, NY. Serving Rockland, Orange, Westchester, the Hudson Valley and New York City. This guide is general information, not lending, legal or tax advice. Loan limits, program terms and rates change; confirm current figures with your lender. Equal Housing Opportunity.