

Zillow Home Loans will now help eligible buyers cover their FHA down payment

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Qualified buyers can get up to 3.5% of the purchase price for their down payment, as a second loan with no additional interest or monthly payment

SEATTLE, Oct. 28, 2026 /PRNewswire/ -- Zillow Home Loans today launched down payment assistance for eligible buyers who finance their home purchase with an FHA loan. Buyers in 43 states and Washington, D.C., can receive up to 3.5% of the purchase price, which covers the full FHA minimum down payment, as a second loan with no interest and no monthly payment. The loan has no income cap or first-time-buyer requirement, and it's forgiven after five years of on-time payments on the primary mortgage loan.

[Affording a home](#) is a challenge for many right now, but frequently the biggest hurdle isn't the monthly mortgage payment, it's the cash needed up front. Many renters already manage housing costs that are close to the amount of a monthly mortgage payment but they [haven't been able to save](#) the lump sum needed to buy, or would prefer not to deplete their reserves. In a recent survey of more than 57,000 buyers and prospective buyers, Zillow® found that people piece together a down payment from wherever they can:

- 70% use savings.
- About 30% rely on a gift or loan from family or friends.
- More than 25% sell stocks or other investments.
- More than 20% tap retirement accounts.

Some buyers use down payment assistance from state and local housing agencies, nonprofits, employers or lenders. That assistance can take the form of grants, forgivable loans, deferred-payment loans or low-interest second loans. Many programs are limited to first-time buyers, set income limits, or serve only certain areas, so the

options available vary by buyer and location.

Helping clear the down payment hurdle

This new Zillow Home Loans program adds another option, one that doesn't require buyers to go through an extensive process with an additional entity.

How the program works

- Amount: Up to 3.5% of the purchase price or appraised value, whichever is lower; buyers have the option to add up to 6.5% of their own funds for a down payment of 10%.
- Structure: A second loan with 0% interest and no monthly payment.
- Forgiveness of second loan: Forgiven after five years of on-time mortgage payments and owner occupancy.
- Repayment: Due in full if the buyer moves out, sells or refinances before year five.
- Requirements: A minimum 640 credit score, an FHA loan with Zillow Home Loans, a primary residence purchase, and qualifying for the full monthly mortgage payment under standard underwriting.
- Also good to know: FHA mortgage insurance applies, and the primary FHA mortgage loan has a standard interest rate and monthly payment. There is no income cap or first-time buyer requirement. The program is available in 43 states and Washington, D.C., but not in Arizona, Delaware, Florida, Massachusetts, New York, Rhode Island, or Virginia.

Zillow listings continue to show state and local down payment assistance programs for which a buyer might qualify. Loan officers with Zillow Home Loans help buyers compare all of their low down payment options, including conventional loans with as little as 3% down and VA loans with 0% down for eligible veterans, so they can choose the best fit.

"Buyers tell us the down payment is what's holding them back, and we hear the same thing from agents about their clients," said Eric Wilson, Zillow's senior vice president and general manager of mortgages. "This program helps us serve more qualified buyers by giving them a simple way to clear that hurdle, with their mortgage and down payment assistance handled in one place. For buyers who can afford the monthly payment, we can now cover the full minimum down payment."

Buyers can learn more and check their eligibility at [FHA Down Payment Assistance](#) or by talking with a Zillow Home Loans loan officer.

About Zillow Group

Zillow Group, Inc. (Nasdaq: Z) (Nasdaq: ZG) is reimagining real estate to make home a reality for more and more

people.

As the most visited real estate app and website in the United States, Zillow connects hundreds of millions of consumers with innovative technology, trusted agents and loan officers, and seamless digital solutions. With industry-leading tools and resources, Zillow supercharges real estate professionals so they can grow their businesses and deliver exceptional client experiences. For renters and housing providers, Zillow offers not only a robust marketplace but a set of end-to-end products and services to streamline applications, leases, payments and more.

Zillow's ecosystem spans the entire home journey — from dreaming and shopping to renting, buying, selling and financing.

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