

NYC FIRST-TIME BUYER ROADMAP

The 3 Numbers Most Buyers Get Wrong — And How to Avoid a \$500+/Month Mistake

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Most first-time buyers focus on the down payment — and miss the 4 other numbers that determine whether they can actually afford the home after they close. This roadmap walks through every step: what to prepare, what programs exist, what the real numbers look like, and how to reach the closing table with confidence.

1 The 5 Numbers to Know Before You Tour a Single Home

Most buyers only know one. Know all five before stepping foot in a property.

The biggest mistake first-time buyers make is calculating affordability from the purchase price alone. The true monthly cost has five components — and missing any one of them can mean a \$300–\$600/month shortfall after closing.

#	Number	What It Is	Why It Matters	NYC Typical Range
1	Mortgage (P&I;)	Principal + interest on your loan	The base payment — but only one piece of the puzzle	\$1,200–\$3,500/mo
2	Property Taxes	Annual taxes divided by 12	NYC and Westchester taxes vary wildly by property type and location	\$300–\$1,500/mo
3	HOA / Common Charges	Monthly condo or co-op maintenance fee	Can add \$300–\$1,500/mo on top of the mortgage — often overlooked	\$300–\$1,200/mo
4	Homeowners Insurance	Required by all lenders	Condos need an HO-6 policy; co-ops need a different structure	\$50–\$200/mo
5	Post-Closing Reserve	Savings kept after closing	Most lenders want 2–3 months of payments in reserve; unexpected repairs happen	2–6 months of PITI

■ **The Real Number: PITI** = Principal + Interest + Taxes + Insurance. Add HOA on top. This is what lenders qualify you on. On a \$500K purchase with 3.5% down, total monthly outlay can easily reach \$4,000–\$5,000+.

2 The 3.5% Down Myth — What Buyers Actually Need at Closing

3.5% gets you in the door. But closing day costs much more.

The 3.5% FHA down payment is real — but it's only one piece of what's due at the closing table. Buyers who show up prepared only for the down payment are often shocked to discover an additional \$15,000–\$25,000 in costs they didn't budget for.

Cost Category	What's Included	\$400K Purchase	\$600K Purchase
Down Payment	3.5% FHA / 3% conventional / 0% NACA or VA	\$14,000–\$20,000 (or \$0 with NACA/VA)	\$18,000–\$21,000 (or \$0 with NACA/VA)
Closing Costs	Lender fees, title insurance, recording fees, attorney, transfer taxes	\$12,000–\$20,000 (NYC transfer taxes add up)	\$18,000–\$30,000
Attorney Fees	Real estate attorney (required in NY for all transactions)	\$2,000–\$4,000	\$2,500–\$5,000
Inspection & Appraisal	Home inspection + lender appraisal (paid upfront)	\$800–\$1,500	\$800–\$1,500
Post-Closing Reserve	Lender-required savings kept after closing (2–3 months PITI)	\$6,000–\$10,000	\$9,000–\$15,000
TOTAL CASH NEEDED	Full estimate — varies by loan type and location	~\$35,000–\$55,000	~\$50,000–\$70,000+

■ **Good news:** Down payment assistance programs can cover the down payment AND closing costs, dramatically reducing what buyers need to bring to the table. See Section 3.

3 Grants & Assistance Programs — By Location

NYC, Westchester, and Long Island — each market has its own stack.

Down payment assistance programs are **stackable** — meaning buyers can layer multiple programs to cover nearly all upfront costs. The key is knowing which programs apply to the target location and income level. Programs below are organized by geography.

■ New York City Programs

Program	Max Benefit	Type	Key Terms
HPD HomeFirst	Up to \$100,000	Forgivable loan (0%, \$0 payments)	Forgiven after 10 yrs (15 yrs if > \$40K); min 3% from buyer; 1–4 family, condos, co-ops in all 5 boroughs; HPD counseling required
SONYMA Achieving the Dream	Rate savings + DPAL up to \$15K	Below-market 30-yr fixed mortgage	As little as 1% down from buyer; income ≤ ~\$186K (NYC, 1–2 person); purchase price ≤ ~\$1.1M; condos eligible
SONYMA DPAL	Up to \$15,000	0% deferred loan (forgiven 10 yrs)	Add-on to any SONYMA mortgage; covers down payment, closing costs, or PMI; \$3K minimum
FHLBNY Homebuyer Dream Program	Up to \$60,000 (HDP + HDP Plus)	True forgivable grant (not a loan)	HDP Core: ≤ 80% AMI = \$30K; HDP Plus: 80–120% AMI = \$30K; stackable; apply via FHLBNY member lender
NACA Mortgage	\$0 down \$0 closing costs	No-down mortgage (Bank of America)	Priority members (income ≤ AMI): ~5.625% rate; no PMI; condos eligible if 50%+ owner-occupied; takes 3–6 months

■ Westchester County Programs

Program	Max Benefit	Type	Key Terms
Westchester County Homeownership Initiative	Up to \$25,000	Forgivable loan (10-yr term)	Income ≤ 80% AMI; condos eligible; repaid pro-rata if buyer moves before 10 yrs; apply via HUD-approved agency
SONYMA Programs (DPAL + Achieving the Dream)	Up to \$15,000 DPA + below-market rate	State mortgage + deferred loan	Same as NYC programs; income limits higher in Westchester region; condos require 10+ units, 50%+ sold, 70%+ owner-occupied
FHLBNY HDP Suite	Up to \$60,000	True grant	Apply through FHLBNY member lender (TEG Federal Credit Union serves Westchester); 2026 funding: \$31.67M allocated
CHI First Home Club	Up to \$5,000	Savings match (3:1 ratio)	Save \$1,667 over 10 months → receive \$5,000; must enroll with Community Housing Innovations (CHI) in White Plains

■ Long Island Programs

Program	Max Benefit	Type	Key Terms
Nassau County Homebuyer Assistance	Up to \$25,000	Forgivable loan	Income ≤ 80% AMI; primary residence; new or existing homes; apply through Nassau County Office of Housing
Suffolk County Homebuyer Assistance	Up to \$14,000	Forgivable loan	Income ≤ 80% AMI; must not have owned in 3 years; apply through Suffolk County Community Development
SONYMA Programs	Up to \$15,000 DPA + low rate	State mortgage + deferred loan	Income and purchase price limits apply for Nassau and Suffolk regions; condos eligible with standard requirements
FHLBNY HDP Suite	Up to \$60,000	True grant	Apply via FHLBNY member lender on Long Island; same program structure as NYC/Westchester
Affordable Homeownership Program (Town-level)	Varies by town	Lottery / subsidy	Towns including Hempstead, Huntington, and Babylon run income-restricted homeownership lotteries; check individual town housing offices

4

Mortgage Programs — Which Loan Is Right?

FHA, conventional, SONYMA, NACA, VA — each has a different fit.

Loan Type	Min Down	Min Credit	PMI?	Condos?	Best For
FHA	3.5% (3.5% w/ 580+ score; 10% if 500–579)	580+ (most lenders)	Yes — for life of loan if < 10% down	✓ Yes — if building is FHA-approved or qualifies for Single-Unit Approval	Lower credit scores; buyers using grants; flexible qualification

SONYMA (NY State)	1% from buyer (3% total w/ DPAL)	620+ preferred	Yes — SONYMA provides PMI	✓ Yes — building needs 10+ units, 50%+ sold, 70%+ owner-occ.	NY first-time buyers; stacks with grants; below-market rate
Conventional (Fannie/Freddie)	3–5% (20% avoids PMI)	620–640+	Yes — can be removed at 20% equity	✓ Yes — building must be warrantable (50%+ owner-occ., no litigation)	Stronger credit; plan to build equity fast; avoid lifetime PMI
NACA	\$0 down (reserves needed)	No min — character-based lending	No PMI ever	✓ Yes — 50%+ owner-occ. OR financially sound HOA; questionnaire required	\$0-down buyers; lower income; willing to do 3–6 month process
VA Loan	\$0 down	580–620+ (lender varies)	No PMI ever	✓ Yes — VA-approved buildings; VA maintains approval list	Veterans, active duty, and surviving spouses only
Co-op Loan	10–20% (most co-ops)	700+ preferred	Varies	N/A — applies to co-ops only	Co-op purchases only; boards add another layer of approval

5

Property Types — What to Know Before You Search

Condo, co-op, townhouse, 1-4 family — each has different rules.

Property Type	Own What?	HOA / Maint?	Subletting?	FHA/SONYMA?	Best For
Condo	Unit + % of common areas	HOA fee (varies widely)	✓ Usually allowed after 1–2 yrs; check CC&Rs;	✓ Yes — if building meets approvals	Flexibility, lower entry price, subletting potential
Co-op	Shares in a corporation (not real property)	Maintenance fee (includes taxes)	✗ Rarely allowed — board controls everything	✗ No — FHA/VA don't cover co-ops; SONYMA has limited co-op access	Long-term primary residence; lower price point in some areas
Townhouse / PUD	Unit + land beneath	HOA fee (usually lower than condo)	✓ Usually allowed; review HOA rules	✓ Yes — treated like single-family for most loan programs	More space; garage; ground floor; feels like a house
1–4 Family Home	Full building + land	None (owner manages)	✓ Yes — rent out other units while living in one	✓ Yes — FHA, SONYMA, VA, conventional all eligible	House hacking; rental income; long-term wealth building

6

The Buyer Success Formula — Step by Step

Know Budget → Explore Grants → Pre-Approval → True Monthly Cost → Tour with Confidence → Close

STEP 1	<p>Know Your True Budget</p> <p>Before searching, calculate PITI + HOA for target price ranges. Use the 28–31% rule: monthly housing cost should not exceed 28–31% of gross income. At \$75K income, that's roughly \$1,750–\$1,940/mo. At \$100K, it's \$2,333–\$2,583/mo.</p>
STEP 2	<p>Check Grant Eligibility First</p> <p>Most DPA programs require a HUD-approved homebuyer education course — and completing it unlocks access to multiple grants simultaneously. Identify programs for your target location (NYC, Westchester, LI, or NJ) and income level before talking to a lender.</p>
STEP 3	<p>Get Pre-Approved — The Right Way</p> <p>Find a lender who is: (1) SONYMA-approved, (2) an FHLBNY member, and (3) experienced with DPA programs. One wrong lender choice can eliminate tens of thousands in available grants. Pre-approval documents needed: 2 yrs tax returns, 2 yrs W-2s, 2 months pay stubs, 2 months bank statements, photo ID.</p>
STEP 4	<p>Understand Total Monthly Cost Before Touring</p> <p>For every neighborhood and property type being considered, research: average HOA fees, property tax rates, and insurance costs. In NYC, transfer taxes and mansion tax (1% over \$1M) add thousands. In Westchester, property taxes can add \$800–\$1,500/mo to the payment.</p>
STEP 5	<p>Tour Strategically</p> <p>Tour only properties that fit the confirmed budget. For condos: verify FHA/SONYMA approval before falling in love with a unit. Request CC&Rs; and HOA financials for any building. Red flags: special assessments, reserves below 10% of annual budget, litigation.</p>
STEP 6	<p>Make an Offer & Manage the Process</p> <p>Once under contract: notify lender immediately to trigger grant paperwork. Order home inspection (never waive). Attorney reviews contract. Lock mortgage rate. Confirm all grants appear as credits on the closing disclosure.</p>
STEP 7	<p>Close with Confidence</p> <p>Final walkthrough 24–48 hours before closing. Bring certified check or wire transfer for closing costs. Review every line of the closing disclosure. Keys at the end of closing — congratulations.</p>

7

Credit Score & Qualification — What the Numbers Actually Mean

A 620 vs. 700 score can be a \$200+/month difference in payment.

Credit Range	Loan Access	Rate Impact	Action Plan
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Below 580	Very limited — FHA 10% down; most programs unavailable	Highest rates available; significant PMI	Focus 6–12 months on credit repair: pay all bills on time, reduce balances to < 30% utilization, dispute errors
580–619	FHA eligible (3.5% down); NACA accessible (no score min); some conventional lenders	Higher rates; elevated PMI	Pay down revolving balances aggressively; become an authorized user on a seasoned account; avoid new inquiries
620–659	FHA, SONYMA, NACA, some conventional; most DPA programs unlocked	Moderate rates; PMI required	Solid foundation. Push toward 680+ for better rate tiers. Maintain perfect payment history.
660–699	All programs available; better rate tiers; stronger lender negotiating position	Good rates; PMI still required below 20% down	Strong position. Ask lenders to run pricing at both 660 and 680 — the difference can be significant.
700+	Full access; best conventional rates; strongest loan terms	Best available rates; PMI minimal	Excellent. Shop multiple lenders — even 0.25% rate difference saves thousands over 30 years.

■ **Quick Credit Wins:** Pay credit card balances below 30% of the limit. One missed payment can drop a score 50–100 points. Dispute any errors at AnnualCreditReport.com. Don't open new credit accounts within 6 months of applying for a mortgage.

8 Stacking Cheat Sheet — Maximum Assistance by Scenario

Programs are designed to be layered. Know which combos unlock the most.

Buyer Scenario	Best Program Stack	Est. Total Assistance	Cash Needed at Closing
NYC buyer, income < \$80K	HPD HomeFirst + SONYMA DPAL + Achieving the Dream	Up to \$115,000	As little as 1% (~\$2,200 on \$220K)
NYC buyer, income \$80–130K	FHLBNY HDP Plus + SONYMA DPAL + Low Interest Rate	Up to \$45,000	3% from buyer (~\$6,600 on \$220K)
Westchester buyer, income < \$82K	Westchester County \$25K + SONYMA DPAL + FHLBNY HDP	Up to \$70,000	1% from buyer (~\$2,200 on \$220K)
Long Island buyer, income < 80% AMI	Nassau/Suffolk County DPA + SONYMA DPAL + FHLBNY HDP	Up to \$55,000	3% from buyer after grants applied
\$0 down path — any market	NACA mortgage (no down, no closing costs, no PMI)	\$0 needed (reserves only)	\$0 down + \$0 closing costs
Veteran — any market	VA Loan + HomeFirst (NYC) or County DPA + FHLBNY HDP	Up to \$130K in grants on top of \$0 down	\$0 down + grant stack for closing costs

■ Key Resources & Where to Apply

Resource	What It Covers	Website / Contact
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HPD (NYC Housing Preservation)	HomeFirst DPA; HUD counseling agencies	nyc.gov/hpd
SONYMA (NY State)	Achieving the Dream, Low Interest Rate, DPAL	hcr.ny.gov/sonyma
FHLBNY	HDP Core, HDP Plus, HDP Wealth Builder grants	fhlbny.com/hdp
NACA	\$0 down mortgage; homebuyer workshops	naca.com
HUD Condo Approval Search	Check FHA approval status of any condo building	entp.hud.gov/idapp/html/condlook.cfm
Community Housing Innovations	Westchester education, grants, First Home Club	communityhousing.org (914) 683-1010
WRO — Westchester Residential Opp.	Westchester DPA applications	wroinc.org
Nassau County Housing	Nassau County DPA programs	nassaucountyny.gov/housing
Suffolk County Community Dev.	Suffolk County DPA programs	suffolkcountyny.gov/communitydev
AnnualCreditReport.com	Free credit report from all 3 bureaus	annualcreditreport.com

Ready to Find Out What You Actually Qualify For?

Book a free 30-minute buyer strategy session — walk away knowing your true budget, which grants apply to your situation, and exactly what it takes to get to the closing table.

■ **Schedule at: calendly.com/dylantrott53-kw/30min**

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Expertise

Engineering precision applied to real estate strategy
Specializing in first-time buyers, DPA programs, and NYC metro market

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