



FIRST-TIME BUYER GUIDE • SEPTEMBER 2026

# Your first home in Chicago

What it really costs, the down payment help available in Illinois right now, and the step-by-step path from pre-approval to keys.



# You may need less down than you think

The City of Chicago median sale price in September 2026 was **\$390K**. Here's what the down payment looks like at that price with common loan types.

| LOAN TYPE                                | TYPICAL MINIMUM DOWN | AT \$390K |
|------------------------------------------|----------------------|-----------|
| FHA                                      | 3.5%                 | \$13,650  |
| Conventional (first-time buyer programs) | 3%                   | \$11,700  |
| Conventional                             | 5%                   | \$19,500  |
| Conventional, no mortgage insurance      | 20%                  | \$78,000  |
| VA (eligible veterans)                   | 0%                   | \$0       |

## Plus closing costs

Expect lender fees, title insurance, your attorney, prepaid taxes and insurance, and, in Chicago, the buyer's city transfer tax of \$3.75 per \$500 of price (0.75%). At \$390K that tax alone is **\$2,925**. Your lender's Loan Estimate itemizes the rest, so ask for one early.

**Good news:** several programs below can cover your down payment, your closing costs or both, and some never have to be repaid.

Minimums depend on credit, income, property type and lender. Mortgage insurance usually applies under 20% down.

# Help available to Chicago-area buyers

| PROGRAM                                    | AMOUNT                                             | HOW IT WORKS                                                                                                                                                                                                            |
|--------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IHDA Access Forgivable</b>              | 4% of price, up to \$6,000                         | Forgiven monthly over 10 years. Owe nothing if you stay 10 years.                                                                                                                                                       |
| <b>IHDA Access Deferred</b>                | 5% of price, up to \$7,500                         | 0% interest. Repaid only when you sell, refinance or pay off the mortgage.                                                                                                                                              |
| <b>IHDA Access Repayable</b>               | 10% of price, up to \$10,000                       | Repaid monthly over 10 years. The most cash up front.                                                                                                                                                                   |
| <b>IHDA Access Home</b>                    | 6% of price, up to \$15,000                        | Launched March 2026. Interest-free and deferred for the life of the mortgage.                                                                                                                                           |
| <b>City of Chicago HomeGrown</b>           | Grant up to \$70,000 (Zone A) or \$50,000 (Zone B) | Chicago homes (1–2 units, incl. condos and 2-flats). Capped at 25% of price. You put in at least 1% of your own funds and complete homebuyer education. Income limits apply.                                            |
| <b>Cook County Down Payment Assistance</b> | 5% of the first loan, up to \$25,000               | Reopened July 20, 2026. Homes anywhere in Cook County, through participating lenders. Repeat buyers can qualify. Education is required if you haven't owned in 3 years. Income up to 120% of area median in most areas. |

## Who counts as a "first-time buyer"?

For IHDA programs: anyone who hasn't owned their primary residence in the last 3 years. Veterans and buyers in IHDA "targeted areas" can qualify even if they have owned before. Each program has its own income and purchase-price limits, which vary by county and household size.

Sources: ihda.org and ihdamortgage.org 2026 fact sheets; chicago.gov HomeGrown program FAQ; cookcountyil.gov Down Payment Assistance Program (checked October 2026). Funding is limited, and programs can pause, change or not combine. Your lender confirms eligibility.

# 10 steps, start to finish

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## 1 Check credit and budget

Pull your credit reports, pay down card balances and decide on a monthly payment you're comfortable with, including taxes, insurance and HOA dues.

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## 2 Get pre-approved

Choose a lender that offers the assistance programs you qualify for. A full pre-approval makes your offer competitive.

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## 3 Pick your areas

Use our Area Match quiz and monthly market report to focus on 2–3 neighborhoods or suburbs that fit your budget and commute.

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## 4 Tour with a plan

We'll set alerts and get you in early, including homes before they hit the big portals when we can.

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## 5 Make a smart offer

We price from the exact building's or block's recent sales, not the citywide average, and structure terms sellers like.

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## 6 Attorney review

Your Illinois real estate attorney reviews the contract, usually within 5 business days, and negotiates any changes.

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## 7 Inspection

Book a licensed home inspector. For condos, review the association's budget, reserves and any special assessments.

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## 8 Appraisal and underwriting

Your lender orders the appraisal and finalizes the loan. Don't open new credit or change jobs now.

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## 9 Final walk-through

Confirm the home's condition and that agreed repairs are done.

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## 10 Closing

Sign, get keys, then file your homestead exemption so your first full tax bill is lower.

# Condo, house, or a 2-flat?

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## Condo or townhome

Usually the most location for the money. In September 2026, Chicago condos had a median of \$400K, and Schaumburg's was \$283K. Exterior upkeep is handled for you. Watch HOA dues, reserves, rental caps and special assessments. Some loan types require the building to be on an approved list.

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## Single-family house

A yard, more control and often a basement and garage. You're responsible for the roof, furnace, sewer line and everything in between, so budget for upkeep every year. The inspection matters most here.

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## 2–4 unit building ("house hacking")

Live in one unit and rent the others to help pay the mortgage. Owner-occupied 2–4 unit buildings can qualify for FHA's 3.5% minimum down, and lenders may count part of the rent toward your income. This is a classic Chicago first-purchase strategy, especially in Logan Square, Lake View and Avondale.

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## Costs first-time buyers forget

- ✓ Property taxes. Ask for the last bill, and check whether exemptions are in place.
- ✓ Homeowners or condo (HO-6) insurance, plus flood insurance if required.
- ✓ Mortgage insurance if you put less than 20% down.
- ✓ Moving, utility deposits, and the first repairs after move-in.
- ✓ An emergency fund. Aim to keep some savings after closing.

# Glossary

|                                |                                                                                                    |
|--------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Pre-approval</b>            | A lender's written conditional commitment after reviewing your income, assets and credit.          |
| <b>Earnest money</b>           | A good-faith deposit held in escrow after your offer is accepted, credited back to you at closing. |
| <b>Attorney review</b>         | The period after acceptance when attorneys for both sides can modify or cancel the contract.       |
| <b>Escrow</b>                  | A neutral third party (often the title company) that holds funds and documents until closing.      |
| <b>Title insurance</b>         | Protects against ownership claims from before your purchase.                                       |
| <b>PMI / MIP</b>               | Mortgage insurance on conventional (PMI) or FHA (MIP) loans with under 20% down.                   |
| <b>HOA / condo association</b> | The association that runs a condo or townhome community and collects monthly dues.                 |
| <b>Homestead exemption</b>     | A property-tax reduction for owner-occupied homes. Apply after you move in.                        |
| <b>Proration</b>               | Splitting costs like property taxes between buyer and seller as of the closing date.               |
| <b>Closing Disclosure</b>      | Your final loan terms and costs, delivered at least 3 business days before closing.                |

**Your checklist:** 2 years of W-2s and tax returns · 2 months of bank statements · 30 days of pay stubs · photo ID · gift letter if family is helping · homebuyer education certificate (if your program requires one).

## NEXT STEP

# Talk to a SpaceMatch agent

First-time buyers are some of our favorite clients. We'll connect you with lenders who offer the assistance programs above, map out exactly what you can afford, and guide you through every step to closing.

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**\$297M+**

TEAM SOLD VOLUME

**20**

AREAS WE TRACK MONTHLY

**15 min**

FREE STRATEGY CALL

### Call or text

773-985-7153

### Book a call

[teamspacematch.com/book-a-call](https://teamspacematch.com/book-a-call)

### Monthly market report

[teamspacematch.com/market-report](https://teamspacematch.com/market-report)

### Email

[team@spacematchinc.com](mailto:team@spacematchinc.com)

### Find your area

[teamspacematch.com/area-match-quiz](https://teamspacematch.com/area-match-quiz)

### Office

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This guide is general information, not legal, tax or lending advice. Program terms, limits and funding change often. Confirm current details with the program, your lender and your attorney. Market figures are from closed MLS sales (MRED) and may be revised.