Houston Home Guide

Loans, income limits, assistance programs and a move checklist

for buyers across the Houston area

PREPARED FOR YOU BY

Latrisha Dillon

REALTOR® | Norluxe Realty

346-631-7377

Book a free consultation

November 2026 | General information, not legal or financial advice



About your agent

Latrisha Dillon
REALTOR® | Norluxe Realty

Latrisha Dillon is a dedicated REALTOR® serving the Greater Houston area with a passion for helping individuals and families achieve their homeownership goals. With more than 20 years of experience in the financial services industry, including roles in relationship banking, investments, mortgage servicing, and branch management, she brings valuable financial expertise to every real estate transaction.

Latrisha believes buying or selling a home is one of life's biggest financial decisions. She is committed to providing honest guidance, clear communication, and personalized service to help her clients navigate the process with confidence. Whether you're a first-time homebuyer, upgrading, downsizing, selling, or investing, she is dedicated to making your experience smooth and successful.

Her mission is simple: to serve her clients with integrity while helping them build wealth through real estate.

Ready to talk about your home search?
Book a free homebuyer consultation, or call **346-631-7377**.

Book a free consultation

Start here

This guide takes a Houston-area buyer from budgeting to moving day: pick a loan (conventional, FHA, VA or USDA), check whether income-based help applies, and work through a move checklist. All loan limits and income figures are 2026 numbers; they change every year, so confirm them with a lender before making an offer.

Houston is the largest city in Harris County, but the metro area also includes Fort Bend, Montgomery, Galveston, Brazoria and other counties. Loan rules are the same across the metro; city-run assistance programs only apply inside the City of Houston.

Rates snapshot. Freddie Mac's weekly survey (released November 5, 2026) put the average 30-year fixed rate at 7.18% and the 15-year at 6.57%, both slightly lower than the week before. Your own rate depends on credit score, down payment, loan type and points, so ask lenders for a Loan Estimate.

The buying roadmap

Most buyers move through the same eight steps, and the order matters: financing comes before house hunting.

1. **Check your credit and budget.** Pull your credit reports, pay down revolving debt, and decide on a monthly payment you are comfortable with, including taxes and insurance.
2. **Take a homebuyer education class.** Most down payment assistance programs require one from a HUD-approved agency, and it is useful even if yours does not.
3. **Get pre-approved.** Talk to two or three lenders, compare conventional, FHA, VA and USDA options, and ask about assistance programs you may qualify for.
4. **Hire a buyer's agent** and tour homes that fit your pre-approval, not just your wish list.
5. **Make an offer.** In Texas, the contract usually includes an option period, a negotiated window in which you can inspect the home and walk away; earnest money is deposited with the title company.
6. **Inspect, appraise and insure.** Order an independent inspection, and get homeowners and (if needed) flood insurance quotes before the option period ends.
7. **Finish underwriting.** Respond quickly to lender requests, and avoid new debt, large deposits or job changes until you close.
8. **Close and move in.** Do a final walk-through, review the Closing Disclosure, bring a cashier's check or wire funds (confirm wire instructions by phone), and collect your keys.

Loan options: conventional, FHA, VA and USDA

The right loan depends mostly on your credit score, how much cash you have, whether you have military service, and where you are buying. A lender can run all four side by side for you; the table shows the 2026 basics for a Harris County purchase.

Loan	Minimum down payment	Minimum credit score	Mortgage insurance or fee	2026 loan limit	Best for
Conventional	3% (HomeReady / Home Possible, income-limited); 5% is common	620	PMI if under 20% down; cancels at 20–22% equity	$832,750 (up to $1,249,125 in high-cost areas)	Buyers with good credit and a modest down payment
FHA	3.5% with a 580+ score; 10% with 500–579	500 (580 for 3.5% down)	Upfront MIP 1.75% plus annual MIP (about 0.55%); lasts the life of the loan if under 10% down	$541,287 (Harris County, 1-unit)	Buyers with lower credit scores or limited savings
VA	$0 with full entitlement	No VA minimum; lenders often want about 620	No monthly PMI; one-time funding fee of 2.15% first use, 0% down (1.5% at 5% down, 1.25% at 10%; 3.3% for repeat use at 0% down); waived for most disability-rated Veterans	No limit with full entitlement; $832,750 baseline if entitlement is partial	Veterans, active-duty service members and eligible spouses
USDA (Section 502 guaranteed)	$0	No USDA minimum; most lenders want about 640	Upfront guarantee fee 1% (can be financed) plus 0.35% annual fee	No set cap; based on your income and ability to repay	Moderate-income buyers purchasing in a USDA-eligible area

Conventional. These loans are not government-backed, so lenders set their own overlays on top of Fannie Mae and Freddie Mac rules. The best rates and lowest PMI go to scores around 740 and up, and debt-to-income ratios near 43% are typical. Loans above the conforming limit are jumbo loans with tougher terms.

FHA. HUD-insured, with more forgiving credit and debt-to-income standards. You must live in the home as your primary residence, and the upfront premium can be financed into the loan. If you put down 10% or more, MIP can drop off after 11 years; otherwise refinancing is the way out.

VA. Backed by the Department of Veterans Affairs, with no prepayment penalty and caps on some closing costs. You need a Certificate of Eligibility, and the home must meet VA minimum property requirements. Sellers may pay closing costs up to 4%.

USDA. Backed by the U.S. Department of Agriculture, with 100% financing and a 30-year fixed rate through approved lenders. Two limits apply: the home must be in a USDA-eligible area, and household income generally cannot exceed 115% of the area median (USDA's limits, updated July 13, 2026, are $122,800 for 1–4 people and $162,100 for 5–8 people in many areas and run higher in some counties; confirm your county). Eligible areas are rural or small-town, so homes inside Houston city limits and areas annexed since 1990 are ruled out, but some outer Harris, Fort Bend, Montgomery, Brazoria, Galveston and Austin County communities qualify. Check each address on the USDA property eligibility map, and note that all adult household income counts, not just the borrowers'.

Where to learn more

- VA funding fee and closing costs (VA.gov)
- FHA loan information (HUD)
- FHFA 2026 conforming loan limits announcement

- CFPB Buying a House tools and mortgage guide
- HUD-approved housing counselors
- USDA Rural Development property eligibility and income limits

Houston LMI (low-to-moderate income) limits

A Houston-area household counts as low-to-moderate income (LMI) if its gross annual income is at or below 80% of the Area Median Income (AMI), which HUD sets each year for the Houston–The Woodlands–Sugar Land region. The City of Houston's 2026 AMI chart was revised June 4, 2026, and the limits took effect June 1, 2026.

Household size	80% AMI (LMI limit)	120% AMI
1 person	$58,250	$87,350
2 people	$66,600	$99,850
3 people	$74,900	$112,300
4 people	$83,200	$124,800
5 people	$89,900	$134,800
6 people	$96,550	$144,750
7 people	$103,200	$154,750
8 people	$109,850	$164,750

How to use the chart: count the gross income of every adult in the household, find your household size, and compare. A family of four earning $83,200 or less qualifies as LMI; the same family at $90,000 would not for 80% AMI programs, but could for programs that go up to 120%.

The City of Houston's Homebuyer Assistance Program (next section) uses the 80% column. Other programs set their own limits by county and household size, so always confirm with the program's current income sheet. Harris County's published 80% limits for 2026 match the city's figures, and the same HUD metro area covers Fort Bend, Montgomery, Galveston, Chambers, Liberty and Waller counties.

Down payment and homebuyer assistance

The City of Houston offers up to $75,000 through its Homebuyer Assistance Program (HAP), but as of November 9, 2026 the city says it is not accepting or processing new applications because program funds are used up. Applicants can reapply, first come first served, once funding is replenished. Statewide Texas programs are still the main route, and they work with any lender-approved loan type, including FHA, VA, USDA and conventional.

Program	What you get	Who qualifies	Key rules
City of Houston HAP	Up to $75,000 as a no-interest forgivable loan; covers down payment, closing costs, prepaids and principal reduction	Household income at or below 80% AMI (120% where city TIRZ funds are used); first-time buyer (no home owned in 3 years); U.S. citizen or permanent resident	Home must pay City of Houston taxes; under $50,000 in liquid assets; no minimum credit score; 33% front-end and 45% back-end debt ratios; assistance up to $50,000 is forgiven over 5 years (20% a year), $50,000.01–$75,000 over 8 years (12.5% a year); pre-approval letters are valid 3 months; HUD-approved education class; reopening date not announced

Program	What you get	Who qualifies	Key rules
TDHCA My First Texas Home	2%–5% of the loan as a second lien, either forgivable over 3 years or deferred for 30 years	First-time buyers, or those who have not owned in 3 years; veterans exempt	620 credit score; county income and price limits; homebuyer education; apply through a participating lender
TDHCA My Choice Texas Home	Same assistance structure as above	Repeat buyers welcome	620 credit score; income and price limits; participating lender
TSAHC Home Sweet Texas and Homes for Texas Heroes	Up to 5% of the loan as a grant or a second lien forgiven after 3 years; also offers a Mortgage Credit Certificate worth 15% of your yearly mortgage interest as a tax credit	Home Sweet Texas: low- and moderate-income buyers; repeat buyers may qualify. Heroes: educators, police, firefighters, EMS, county jailers, correctional officers and veterans	620 credit score for government loans, 640 for conventional; income limits vary by county and household size; homebuyer education course; apply through a TSAHC-approved lender (877-508-4611)
Harris County Down Payment Assistance	Help with down payment and closing costs	Income-qualified first-time buyers purchasing in Harris County	Contact the county's Community Services Department for current amounts and price limits

City programs only cover homes inside the City of Houston. Buyers in suburban cities such as Sugar Land, Richmond, Rosenberg, Katy or Pearland should start with the TDHCA and TSAHC programs, which apply anywhere in Texas.

Because funding and limits change quickly, ask your lender which programs are open before you write an offer, and confirm amounts on the program's own website. The HAP office can be reached at 832-394-6200, and the city holds free workshops at 1 PM: an applicant workshop on November 10, 2026 and a Realtor and lender workshop on November 18, 2026.

Houston-area considerations before you make an offer

Houston has no state income tax, but property taxes, insurance and flood risk can move your monthly payment more than the interest rate does, so price them before you fall in love with a house.

- **Property taxes.** Texas funds local services through property taxes, so the bill varies by county, city, school district and special districts. Look up the current tax history on the county appraisal district site (Harris CAD, Fort Bend CAD) and ask your lender to escrow taxes and insurance in the payment estimate.
- **MUD and PID fees.** Many newer subdivisions sit in Municipal Utility Districts or Public Improvement Districts that add a separate tax or assessment. The seller must give you a notice disclosing it; read it and add it to your budget.
- **Flood risk.** Check the property's FEMA flood zone on the FEMA Flood Map Service Center, ask the seller about past flooding (it is part of the Texas seller's disclosure), and get a flood insurance quote before the option period ends. Homes in flood zones with a federally backed loan must carry flood insurance.
- **Homeowners and wind insurance.** Premiums in the Houston area are high compared with much of the country, and coastal areas such as Galveston and parts of Brazoria County can require separate windstorm coverage. Collect quotes early, since a roof's age and condition can change the price.
- **HOA dues and deed restrictions.** Ask for the HOA's dues, rules and resale certificate; dues count toward your debt-to-income ratio.
- **Commute and traffic.** Test the drive at rush hour. Houston is spread out, and a lower price in a far suburb can be offset by commute costs.
- **Hurricane season.** It runs June 1 to November 30, so a closing or move-in during those months is a good reason to confirm insurance and storm plans.

- **Foundation and soil.** Expanding clay soil can shift slabs, so a foundation evaluation by an independent engineer is worth considering on older homes.

Move-prep to-do checklist

Work backward from your closing date: the heavy lifting (money, insurance, movers) happens in the first 60 days, and the last week is mostly logistics. Check items off as you go.

60–90 days before closing

- ☐ Get pre-approved and compare conventional, FHA, VA and USDA offers from at least two lenders
- ☐ Complete a HUD-approved homebuyer education class if you plan to use assistance
- ☐ Ask your lender which down payment assistance programs are open and what they require
- ☐ Save for earnest money, option fee, inspection, appraisal and closing costs
- ☐ Stop opening new credit and avoid large purchases or unexplained deposits
- ☐ Start decluttering and set a moving budget

30–60 days before closing

- ☐ Order the independent home inspection and any foundation, roof, sewer or pest inspections
- ☐ Collect homeowners insurance quotes and, if needed, flood and windstorm quotes
- ☐ Confirm the property's flood zone and any MUD, PID or HOA fees
- ☐ Send your lender every document requested within 24 hours
- ☐ Get written moving quotes from at least three licensed movers, or reserve a truck
- ☐ Give notice to your landlord, or confirm your lease end date
- ☐ Start a moving folder for receipts, since some moving costs may be tax-relevant

2–4 weeks before closing

- ☐ Lock in your moving date and book movers or helpers
- ☐ Schedule utilities for the new address: electric (choose a retail electric provider at Power to Choose if the home is in a deregulated area), gas, water, trash, internet
- ☐ Cancel or transfer services at the old address (utilities, internet, gym, subscriptions)
- ☐ File a change of address with the USPS
- ☐ Transfer prescriptions and records for doctors, vets and schools
- ☐ Review the Closing Disclosure carefully and compare it to your Loan Estimate
- ☐ Buy and pack supplies; label boxes by room

The final week

- [ ] Do the final walk-through to confirm agreed repairs and that the home is in the condition promised
- [ ] Arrange funds for closing (cashier's check or a wire sent only after you verify instructions by phone)
- [ ] Bring a government-issued photo ID to the title company
- [ ] Confirm insurance is bound and the lender has the policy
- [ ] Pack an essentials box: medications, chargers, toiletries, paper towels, tools, bedding
- [ ] Take meter readings and photos of the new home before you move in

Closing and moving day

- [ ] Sign closing documents and collect all keys, garage remotes and mailbox keys
- [ ] Change exterior locks and garage codes
- [ ] Test smoke and carbon monoxide detectors; locate the main water shutoff and breaker panel
- [ ] Protect floors, walk the movers through the home, and keep valuables and documents with you

First 30–90 days in the home

- [ ] Update your address with your employer, banks, insurers, the IRS and your voter registration
- [ ] Register your vehicle within 30 days and update your driver license within 90 days if you are new to Texas
- [ ] Apply for the homestead exemption with your county appraisal district to lower your property tax bill
- [ ] Save your closing documents and keep a home maintenance calendar (HVAC filter, gutters, pest control)
- [ ] Build an emergency fund and review your flood and storm preparedness plan

Next steps and sources

Your next step is a conversation with a lender and an agent: get pre-approved, ask which assistance programs are open, and share your target price range. Questions about this guide can go to Latrisha Dillon, Norluxe Realty, 346-631-7377.

Book a free consultation

Scheduling link: https://latrishadillon.norluxerealty.net/meeting/844775056932458/latrisha_dillon

This guide is general information as of November 9, 2026, not legal or financial advice. Loan limits, income limits, fees and program funding change often, so confirm every figure with your lender or the program administrator before relying on it.

Sources

- City of Houston, 2026 Area Median Income chart (80% and 120% AMI limits)
- City of Houston Homebuyer Assistance Program (assistance amount, rules, workshops and current application status)
- City of Houston HAP Guidelines, version 8.0 (income limits, forgiveness schedule, eligibility)
- RISMedia: Freddie Mac weekly rates, November 5, 2026
- Harris County 2026 loan limits (Homebuyer.com)

- TDHCA 2026 income limits by county (Harris County 80% figures)
- VA funding fee and closing costs and 2026 VA funding fee rates
- FHFA announcement of 2026 conforming loan limits and NerdWallet conventional loan requirements
- 2026 FHA loan limits in Texas (Freedom Mortgage) and FHA down payment and credit rules (Rocket Mortgage)
- TSAHC Home Sweet Texas, TSAHC 2026 Annual Action Plan and TDHCA My First Texas Home overview
- Click2Houston: help for first-time buyers in the Houston area (Harris County program)
- USDA guarantee fees and income limits (Lower) and USDA eligible-area changes in Texas (USDA Rural Development)