



Freddie Mac HomeOne: The Conventional Loan Built for Long Island First-Time Homebuyers



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## FIRST-TIME BUYERS

# Freddie Mac HomeOne: The Conventional Loan Built for Long Island First-Time Homebuyers

Coltrain Mortgage Team · September 30, 2026 · 8 min read

Here's something we hear from first-time buyers all the time: "We don't have 20% down, so I guess we're doing FHA." Not necessarily! After more than 20 years helping Long Island families buy their first homes, HomeOne® is one of the loans we wish more people knew about. It's Freddie Mac's conventional mortgage made just for first-time homebuyers: a low down payment, no income limits, a fixed rate, and mortgage insurance you can eventually cancel. Let's walk through how it works, who qualifies, and the one Long Island detail you'll want to plan around.



**Conventional, Not  
FHA**



**No Income Limits**



**Fixed Rate Only**



**Cancelable Mortgage  
Insurance**

## What Is Freddie Mac HomeOne?

HomeOne is a conventional mortgage program from Freddie Mac, one of the two government-sponsored companies that buy most U.S. home loans. It lets a qualified first-time homebuyer finance up to 97% of the home's value, which means a down payment as low as 3%. In Freddie Mac's own terms, HomeOne covers loans with a loan-to-value ratio above 95%, up to a 97% maximum.

What makes it different from the other low down payment options is what it *doesn't* have: no income cap, no geographic restriction, and no government mortgage insurance premium that sticks around for the life of the loan. For a lot of Long Island buyers with solid income and good credit but not a 20% down payment saved, it's the cleanest path into a first home. If you're comparing loan types in general, our **conventional loans** page covers the broader category HomeOne belongs to.

## Key Benefits of HomeOne

01

### Minimal Down Payment

Finance up to 97% of the purchase price (97% maximum LTV and TLTV), so the minimum down payment is 3%.

**Up to 105% TLTV with an eligible Affordable Second**

02

### No Income Caps

Unlike Home Possible and HomeReady, HomeOne has no borrower income limit. Earning well on Long Island doesn't disqualify you.

03

### No Geographic Limits

No targeted-area or census-tract rules. An eligible home anywhere on Long Island, or anywhere in the U.S., qualifies.

04

### Cancelable Mortgage Insurance

Borrower-paid private mortgage insurance can be removed. You can request cancellation once your balance reaches 80% of the home's original value, and it ends automatically at 78%.

**Unlike FHA, where it usually lasts the life of the loan**

05

### Flexible Down Payment Sources

Your down payment can come from savings, a documented gift from family, or eligible down payment assistance, including Affordable Seconds.

06

### Refinance Option

HomeOne also works for no cash-out refinances up to 97% LTV. The first-time buyer rule applies to purchases only.

**Above 95% LTV, the loan being refinanced must be Freddie Mac-owned**

## HomeOne Requirements

The benefits are generous, so the rules are specific. Here's the full checklist, straight from Freddie Mac's current fact sheet. Don't worry if a line or two is confusing, that's exactly what we're here for.

|                                |                                                                                                                                                                                                                                           |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>First-Time Buyer Rule</b>   | <p>At least one borrower must be a first-time homebuyer, meaning no ownership interest in a home during the past three years.</p> <p>Applies to purchases. Previous owners who have been out of homeownership for three years count.</p>  |
| <b>Property Type</b>           | <p>1-unit primary residence only: single-family homes, townhomes, PUDs, and eligible condos.</p> <p>Manufactured homes are excluded unless they are CHOICEHome® certified. No 2-4 unit homes, second homes, or investment properties.</p> |
| <b>Occupancy</b>               | <p>Every borrower on the loan must live in the home as their primary residence.</p> <p>That means no non-occupant co-signer, like a parent who stays in their own home.</p>                                                               |
| <b>Loan Type</b>               | Fixed-rate mortgages only. No adjustable-rate (ARM) options.                                                                                                                                                                              |
| <b>Loan Size</b>               | <p>Must be a standard conforming loan amount. HomeOne is not eligible as a super conforming (high-cost area) loan.</p> <p>This is the big one for Long Island. See the loan size section below.</p>                                       |
| <b>Homebuyer Education</b>     | Required when all borrowers are first-time homebuyers. At least one borrower completes an approved course, and many are online and free.                                                                                                  |
| <b>Credit and Underwriting</b> | <p>Must receive an Accept from Freddie Mac's Loan Product Advisor (LPA). The minimum score follows conventional guidelines and the lender, commonly 620.</p> <p>Your <b>debt-to-income ratio</b> is weighed alongside credit.</p>         |
| <b>Mortgage Insurance</b>      | Private mortgage insurance is required because the down payment is under 20%. Above 95% LTV, Freddie Mac requires standard 35% coverage.                                                                                                  |

## Quick Check: Could HomeOne Fit You?

INTERACTIVE

Has at least one buyer gone **3+ years** without owning a home?

Will **every** borrower live in the home full-time?

Is it a **single-family home, townhome, or condo** (1 unit)?

Are you comfortable with a **fixed-rate** loan?

Will your loan amount be **\$832,750 or less?**

Answer the five questions above to see how HomeOne lines up with your situation.

## The One Thing Long Island Buyers Need to Plan Around: Loan Size

Nassau and Suffolk are high-cost counties, so most conventional loans here can go up to a higher local limit. HomeOne can't. Freddie Mac's rules say a HomeOne mortgage is not eligible as super conforming, so the maximum loan is the national baseline, not the Long Island limit.

**\$832,750**

The maximum HomeOne loan amount in 2026, even in Nassau and Suffolk, where the standard high-cost conforming limit is \$1,209,750.

In practice, that sets up a simple ladder based on purchase price:

**Up to ~\$858,500**  
FULL HOMEONE RANGE

The minimum 3% down keeps the loan at or under \$832,750. This covers a big share of Long Island's starter-home market.

**~\$858,500 to  
~\$876,500**  
HOMEONE WITH MORE DOWN

Put down whatever it takes to cap the loan at \$832,750. You're still above 95% LTV, so it's still HomeOne.

**Above ~\$876,500**  
STANDARD CONVENTIONAL

Conventional financing with as little as 5% down still works up to Nassau/Suffolk's \$1,209,750 limit. It's just no longer HomeOne.

So a buyer looking at a \$1 million home isn't shut out of low down payment conventional financing. They'd simply use a standard 95% conventional loan instead of HomeOne. Curious what those price points actually buy? See **what \$600K, \$800K, and \$1M buys on Long Island right now.**

**Down Payment Comparison Calculator**

INTERACTIVE

PURCHASE PRICE **\$ 650,000**

HOMEONE MINIMUM

**\$19,500**

3% down, conventional,  
cancelable MI

FHA MINIMUM

**\$22,750**

3.5% down, plus FHA  
mortgage insurance  
premiums

20% DOWN

**\$130,000**

No mortgage insurance at  
all

At this price, HomeOne's minimum is **\$3,250 less** than FHA's, and the mortgage insurance can come off later.

Illustration of minimum down payments only, based on 2026 program guidelines. It does not include closing costs, prepaid items, or reserves, and it is not a loan offer. Your actual down payment, APR, and payment terms depend on credit approval, loan amount, and property. FHA loans are subject to FHA county loan limits.

HomeOne vs. FHA vs. Home Possible vs. HomeReady

All four can get a first-time buyer in with a small down payment. The differences show up in income rules, mortgage insurance, and loan size.

|                           | HomeOne                | FHA                                             | Home Possible          | HomeReady              |
|---------------------------|------------------------|-------------------------------------------------|------------------------|------------------------|
| Backed by                 | Freddie Mac            | HUD / FHA                                       | Freddie Mac            | Fannie Mae             |
| Minimum down              | 3%                     | 3.5%                                            | 3%                     | 3%                     |
| Income limit              | None                   | None                                            | 80% of area median     | 80% of area median     |
| First-time buyer required | Yes (purchase)         | No                                              | No                     | No                     |
| Mortgage insurance        | Private MI, cancelable | Upfront + annual MIP, often for the loan's life | Private MI, cancelable | Private MI, cancelable |
|                           |                        |                                                 |                        |                        |

|                                | HomeOne                     | FHA              | Home Possible                              | HomeReady                                  |
|--------------------------------|-----------------------------|------------------|--------------------------------------------|--------------------------------------------|
| <b>Max loan on Long Island</b> | <b>\$832,750 (baseline)</b> | FHA county limit | County limit, lower max LTV above baseline | County limit, lower max LTV above baseline |

If your income is under 80% of the area median, **HomeReady and Home Possible** can come with reduced mortgage insurance costs and are worth pricing side by side. If your credit is still being built, an **FHA loan** can be more forgiving. For everyone else, HomeOne is often the simplest fit, since there's no income test to pass.

**Pricing is where a broker earns its keep.** Every lender sets its own pricing and overlays on HomeOne. Because Coltrain shops a range of wholesale lenders instead of offering one bank's version, we can compare the same HomeOne loan across several of them, and put it next to FHA and HomeReady so you can see which one actually costs you less.

## Refinancing With HomeOne

HomeOne isn't only for buying. It also covers no cash-out refinances up to 97% LTV, and the first-time buyer requirement doesn't apply to refinances. The catch: when the new loan is above 95% LTV, the mortgage being refinanced generally must already be owned or securitized by Freddie Mac. That's something we can check for you from your current servicer information.

## How to Get Started

1

### Talk to a loan officer and get pre-qualified

We'll confirm HomeOne eligibility, run it through LPA, and compare it against FHA and HomeReady on your real numbers.

2

### Line up your down payment

Savings, a family gift, or assistance. If a relative is helping, read **how gift funds work** so the paperwork is clean from the start.

3

### Complete homebuyer education

If every borrower is a first-time buyer, one of you finishes an approved course before closing. It's usually a few hours online.

4

### Shop with a clear price ceiling

Know where the \$832,750 HomeOne loan cap lands for your down payment, so you know when you've crossed into standard conventional territory.

New to the whole process? Our **Long Island first-time homebuyer guide** and **step-by-step loan process** walk through everything from application to keys.

**Want to know if HomeOne beats FHA for your purchase?**

## COMMON QUESTIONS

What is a Freddie Mac HomeOne mortgage? +

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Who counts as a first-time homebuyer for HomeOne? +

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Is there an income limit on HomeOne? +

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What is the HomeOne loan limit on Long Island? +

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Can I get rid of mortgage insurance on a HomeOne loan? +

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Can I use HomeOne to buy a co-op or a two-family home? +

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Program guidelines are based on Freddie Mac's published HomeOne requirements as of September 2026 and are subject to change. All loans are subject to credit approval, underwriting, and property eligibility. This article is for educational purposes and is not a commitment to lend. Coltrain Mortgage is a mortgage broker; all loans are arranged through third-party lenders. Equal Housing Opportunity.

## SOURCES

Freddie Mac Single-Family, **HomeOne® Mortgage product overview**

Freddie Mac, **HomeOne Mortgage fact sheet (September 2025)**

Freddie Mac Single-Family Seller/Servicer Guide, **Section 4605.1, HomeOne Mortgages**

Freddie Mac, **Maximum LTV/TLTV/HTLTV Ratio Requirements for Conforming and Super Conforming Mortgages**

Federal Housing Finance Agency, **Conforming Loan Limit Values for 2026**

Consumer Financial Protection Bureau, **When can I remove private mortgage insurance (PMI) from my loan?**

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**READY WHEN YOU ARE**

## **Buying your first home on Long Island?**

We'll show you HomeOne, FHA, and HomeReady side by side on your real numbers. No pressure, no obligation.

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