

Down Payments

Jamie Eldrett Real Estate | Last updated: July 18, 2026 | What buyers actually put down, the real minimum, and the zero-down path inside Grants Pass city limits

Most buyers assume they need 20% down before they can start looking. That number hasn't been the real requirement in decades, and inside Grants Pass city limits - where USDA's zero-down rural loan generally isn't an option - there's still a real, legitimate path to buying with little or no cash out of pocket. This guide covers what people typically do, what the actual minimums are, and what the local zero-down toolkit looks like.

What Most Buyers Actually Put Down

The 20% number is folklore - here's the real median



WHAT "MEDIAN" ACTUALLY MEANS HERE

Half of first-time buyers nationally put down 10% or more in 2025 - and half put down less than that. It's the highest first-time-buyer median NAR has recorded since 1989, which says more about how competitive the market has been than about what's required to buy. It is not a floor. Where the down payment comes from also matters: 59% of first-time buyers used personal savings, 26% tapped retirement or other financial assets, and 22% got a gift or loan from family.

The Real Minimum, By Loan Type

What a lender will actually let a buyer put down

LOAN TYPE	MINIMUM DOWN	NOTES
Conventional	3%	

		HomeReady / Home Possible programs; most standard conventional loans still ask for 5%+
FHA	3.5%	Requires a 580+ credit score; 500-579 requires 10% down instead
VA	0%	Veterans, active-duty service members, eligible surviving spouses. No mortgage insurance. Works anywhere in Grants Pass, not just rural areas
USDA	0%	Only on properties in a USDA-eligible rural area - see below

The gap between "what people typically put down" (10-19%) and "what's actually required" (0-3.5%) is exactly the gap the down payment assistance programs below are built to close.

The Zero-Down Toolkit Inside City Limits

Not rural, not USDA-eligible - here's what still works

Ranked in the order worth exploring first for a Grants Pass buyer who wants to minimize cash to close.

OHCS FirstHome & NextStep (Oregon Flex Lending)

The state's own first mortgage products. FirstHome is for first-time buyers; NextStep is open to repeat buyers too. Both pair the first mortgage with 4% or 5% of the loan amount in down payment assistance, structured as a forgivable or repayable second mortgage, that can cover up to 100% of the buyer's actual cash to close - down payment, closing costs, prepaids, and mortgage insurance where it applies. This is the foundation piece.

Start here. Find an OHCS-approved lender (most local mortgage lenders in the valley participate) and ask specifically for Flex Lending / FirstHome or NextStep.

OHCS Down Payment Assistance Program

A separate, larger pool: up to \$60,000 or 20% of the purchase price, whichever is less, for buyers who are first-time and/or first-generation homebuyers at or below 100% of area median income. Some of it is a grant or forgivable loan. Twenty-five percent of the

funding is reserved specifically for Oregon veterans. This isn't accessed through OHCS directly - it flows through a participating local organization.

Locally, that's ACCESS (Medford, serves Jackson and Josephine Counties - their Home Ownership Assistance Program is the delivery vehicle, (541) 774-4305) and NeighborWorks Umpqua (serves Josephine, Douglas, Coos, and Curry Counties). Both require a homebuyer education course and counseling before closing. Call both - DPA funding availability at these organizations moves with the funding cycle, so confirm current status before counting on a specific number.

Home\$tart (Federal Home Loan Bank of Des Moines)

Oregon sits inside the FHLB Des Moines district, so this is a real local option, not a stretch. Up to \$15,000 in grant funds toward down payment and closing costs, for first-time buyers at or below 80% of area median income. Only available through a participating member lender.

Ask a prospective lender directly: "Are you a Home\$tart participant?" Not every lender is - worth asking before you settle on a lender.

HOME Foundation Buyers Assistance Grant

An easy-to-miss one: the Rogue Valley Association of Realtors and Oregon Association of Realtors jointly fund this grant, up to \$2,500 toward down payment, closing costs, or prepaid items for eligible Jackson and Josephine County buyers. The buyer contributes at least \$500, completes a homebuyer education course, and meets the program's income limits.

Worth stacking on top of everything else above - it's realtor-funded, and \$500 of buyer contribution unlocks up to \$2,500.

VA Loan

For a qualifying veteran, active-duty service member, or eligible surviving spouse: 0% down, no mortgage insurance, usable on any eligible property in Grants Pass city limits - this is not a rural-only program.

If you have VA eligibility, this is usually the single cleanest path to \$0 down and skips the need to stack assistance programs at all.

FHA + Down Payment Assistance

FHA's own minimum is 3.5% down (with a 580+ score). Layer one of the assistance programs above on top and that 3.5% is frequently covered in full, bringing true out-of-pocket close to zero depending on how the rest of the transaction is structured.

The natural fallback if you don't have VA eligibility and don't qualify for the deepest OHCS DPA tier.

Why USDA Generally Doesn't Work Inside City Limits

99.3% of Josephine County is eligible - the core of Grants Pass usually isn't

Nearly the entire county qualifies for USDA's zero-down rural loan, including the outskirts of Grants Pass - but USDA eligibility maps typically carve out the incorporated core of a city this size, the same "donut hole" pattern seen around other Oregon towns. So a property just outside the city limits may well qualify even though an equivalent property downtown won't. Never assume either way - check the specific address on the USDA Rural Development eligibility map before ruling it in or out.

What a Genuine \$0-Out-of-Pocket Deal Requires

Not guaranteed, but real when the pieces line up

- **Down payment assistance** covering the down payment itself (OHCS DPA, Home\$tart, or the FirstHome/NextStep second mortgage)
- **Seller-paid closing costs**, negotiated as part of the offer
- **Lender credits**, often available in exchange for a slightly higher rate
- **Gift funds** from family, if needed to close any remaining gap

It isn't guaranteed on every transaction, and it depends on the lender, the seller's flexibility, and the buyer's specific eligibility. But buyers do close in Grants Pass with very little cash to close when two or three of these pieces stack together.

Where to Start

1. OHCS FirstHome or NextStep, through an approved local lender
2. Layer the OHCS Down Payment Assistance Program on top, through ACCESS or NeighborWorks Umpqua
3. Ask the lender directly whether they participate in Home\$tart
4. Add the HOME Foundation grant - it stacks for free
5. Structure the offer to ask for seller-paid closing costs

That combination gives you the best realistic shot at closing inside Grants Pass city limits without a traditional down payment. All programs listed are third-party; Jamie does not administer or guarantee any of them. Loan terms, funding availability, and eligibility rules on all of these programs change - confirm current details with a participating lender before building plans around specific numbers, and route income-qualification or tax questions to your lender or accountant. None of this is financial advice.