

Homeownership program guidelines

Through the HOME program, you may receive funds for down payment and closing costs for your first time homebuyer purchase. The actual amount of funding received for your purchase will be determined by the sales price, mortgage underwriting, and mortgage loan review process.

The funds are provided as a conditional loan with no monthly or annual payments required and a second mortgage will secure the financing. The HOME funds will be recorded as a lien at 0% interest and the principal balance is reduced annually. No repayment is required as long as you remain as principal resident throughout the period of affordability.

The period of affordability is:

Under \$15,000 5 years

\$15,000 to \$40,000 10 years

Over \$40,000 15 years

If the home is sold, or the owner no longer resides as principal resident, or the home is vacant, or rented the pro-rated portion of the lien must be repaid to the Housing Trust Fund Corporation (HTFC). The schedule of lien forgiveness based on under \$40,000.00 is as follows, after the anniversary date of funds recorded in IDIS:

Year 1 90%	Year 6 40%
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Year 2 80%	Year 7 30%
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Year 3 70%	Year 8 20%
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Year 4 60%	Year 9 10%
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Year 5 50%	Year 10 0%
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Eligible Housing

The property must be documented to be decent, safe, sanitary, and in good condition and must meet NYS and/or Local Code upon closing. A certified inspector will attest via visual inspection that the home meets NYS guidelines.

Homebuyers are able to purchase the following types of homes:

- Single Family

Financing

To be eligible for the HOME funds, the financing must meet the following guidelines:

- To use a broker for your mortgage, at least 1 pre-approval must be obtained from a local bank or credit union, and the Loan Pre-Approvals/Estimates from both must be analyzed by a Housing Counselor.

- Fixed rate mortgages will be required, with interest rates not to exceed 1% above the FHA rate posted on the date of the contract of sale.

- Loans must meet the Ability to Repay/Qualified Mortgage rule as set by the CFBP.

- High-cost loans will not be accepted.

- Loan terms must not include a prepayment penalty or balloon payment.

- No yield-spread premium is allowed.

- Housing debt to income ratio:

Front end: maximum 35% or if no other total debt 40%

Back end: total debt to income ratio: max 45%

- Taxes must be escrowed.

- Insurance must be escrowed, and the purchaser must select the insurance carrier.

- Disclosures should be provided in the native language appropriate to the buyer.

Documentation Needed

Once an offer is accepted on a home, We will need additional documentation. To qualify for the HOME assistance, you must notify your Housing Counselor of your accepted offer to purchase a home within 5 business days of the signed purchase contract. Additional documentation needed includes:

- ☐ Most recent income information

- ☐ Loan estimate

- ☐ Purchase contract

- ☐ Universal Residential Loan Application

- ☐ Uniform Residential Appraisal Report

- ☐ Mortgage Commitment

- ☐ Proof of Homeowners Insurance

- ☐ Closing Disclosure

Please note, if income changes, and you are over 80% of the HUD AMI level, We will not be able to assist you with HOME funds.

For information regarding Homeownership Program, please call (716) 439-6686