

## FIRST-TIME HOMEBUYER LOAN PROGRAM

The First-time Homebuyer Loan Program provides long-term, **no-interest** (0%), **\$5,000** loans to help purchase your first home. (If household income is less than 30% of the area median income, you could be eligible to receive **\$25,000**; please contact our office for additional information).

### Requirements

1. **Location**
  - Any owner-occupied, single-family or duplex home, anywhere in the City.
2. **Income Limits**
  - Borrower(s) must earn no more than 80% of area median income, adjusted for family size. The following categories (<30%, <50%, or <80% of area median income) are used to determine repayment terms.

### Table of Limits

<u>Household Size</u>	<u>(IFA guidelines)</u>		<u>Maximum Income (CDBG)</u>	
	<u>&lt;30% area median income</u>	<u>&lt;50% area median income</u>	<u>&lt;50% area median income</u>	<u>&lt;80% of area median</u>
1	\$24,420	\$28,500	\$28,500	\$45,550
2	\$24,420	\$32,600	\$32,600	\$52,050
3	\$28,083	\$36,650	\$36,650	\$58,550
4	\$28,083	\$40,700	\$40,700	\$65,050
5	\$28,083	\$44,000	\$44,000	\$70,300
6	\$28,312	\$47,250	\$47,250	\$75,500
7	\$30,262	\$50,500	\$50,500	\$80,700
8	\$32,212	\$53,750	\$53,750	\$85,900

3. **Loan Amounts**
  - This \$5,000 (or \$25,000) loan can be used for down payment and closing cost assistance.
4. **Loan Terms**
  - Loans in the amount of \$5,000 are repaid over a maximum 8-year term.
  - Loans in the amount of \$25,000 0% interest; deferred for 5 years then \$60/month for 35-year term.

**NOTE: All Assisted Housing participants are eligible for a deferred loan for 5 years.**

5. **Interest Rates**
  - No interest is charged.

6. **Payment Amounts**

- For <50% area median income, the initial monthly payment will be \$40 for three years, then monthly payments will increase to \$60 for the remaining five years.
- For <80% are median income, monthly payments will be \$60.

7. **HOME Workshop Certification Required**

- (For more information: [www.cityofdubuque.org/HOMEWorkshop](http://www.cityofdubuque.org/HOMEWorkshop))

8. **Additional Requirements**

- The borrower must be a first-time homebuyer. A first-time homebuyer means that no member of the household has had an ownership interest in any residence during the three years prior to the home ownership assistance. **However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a first-time homeowner.**
- The borrower must contribute a 3% down payment, this is based on the purchase price of the home. 1% of the money must be the borrowers, 2% can be gifted money. The IFA FIRSTMORE Plus Down payment/Closing Cost/Repair Assistance Program or any other grant that has resident requirements cannot be counted towards the owners' requirement of 3%.
- The property must be inspected by our Rehabilitation Programs Inspector prior to the City's loan approval. If any code violations are noted the new buyer must fill out the inspection sheet regarding repairs and submit bids if required.
- As of September 2001, all properties using federal funds must be lead safe or free of deteriorated paint.

9. **Application**

A City application must be completed and all required information must be attached. (Please contact our office with any questions)

Once you've met with your lender and applied for a loan, the lender is to provide us with the following information:

- Bank Application
- Verification of borrowers 3% down payment
- Accepted Purchase Agreement (signed by all parties)
- Bank Commitment Letter
- Verification forms regarding your employment, savings, checking and rental history
- Credit report
- Title Opinion
- Closing Disclosure form

**City reserves the right to deny applications submitted by OWNERS that are not in good standing with the City.**