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, within Dubuque’s city limits.

2. Income Eligibility
   - Borrower(s) must earn no more than 80% of area median income for family size.
   - The following categories (<30%, <50%, or <80% of area median income) are used to determine repayment terms.

<table>
<thead>
<tr>
<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low 30%*</td>
<td>$28,560</td>
<td>$28,560</td>
<td>$32,844</td>
<td>$32,844</td>
<td>$32,844</td>
<td>$32,844</td>
<td>$34,462</td>
<td>$36,693</td>
</tr>
<tr>
<td>Low 50%</td>
<td>$32,450</td>
<td>$37,050</td>
<td>$41,700</td>
<td>$46,300</td>
<td>$50,050</td>
<td>$53,750</td>
<td>$57,450</td>
<td>$61,150</td>
</tr>
<tr>
<td>Moderate 80%</td>
<td>$51,900</td>
<td>$59,300</td>
<td>$66,700</td>
<td>$74,100</td>
<td>$80,050</td>
<td>$86,000</td>
<td>$91,900</td>
<td>$97,850</td>
</tr>
</tbody>
</table>

*30% guidelines are set by IFA; all others are CDBG.

3. Loan Information
   - These loans may be used for down payment and closing cost assistance.
   - No interest is charged on these loans. Zero percent (0%) interest rate.
   - Up to $5,000 for eligible applicants in the “Low” and “Moderate” limits above.
   - Up to $25,000 for applicants in the “Extremely Low” limits above.

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.
   - All Housing Choice Voucher Homeownership participants are eligible for a deferred loan for 5 years.

5. 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.

6. Finally Home! Certification Required
   - To register or for more information: https://www.finallyhome.org/en/homebuyer-education/
   - Free for low-mod income individuals, must self-certify with registration.
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 or brought by seller credit, 2% can be gifted money or grant money. The IFA FIRSTHOME 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 under Homeowner Rehab programs.
   - **The borrower must have a minimum credit score of 620 for approval.**
   - **The borrower’s Housing Ratio (all housing expenses) shall not exceed 33%, and their Debt-to-Income ratio shall not exceed 43% of their eligible income.**

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

The City of Dubuque reserves the right to deny applications from individuals that are not in good standing with all City departments.