

BASIC STEPS:

- Submit your FTHB application to make sure you are eligible.
- Get pre-approved for a home loan by a mortgage company.
- Find a home and write an offer.
- Submit accepted offer to the Housing Services office to be approved for funding. Funds **should not be assumed** to be available until notification of approval.
- Complete required home buyer education.
- Grant funds will be disbursed at closing.

SELECTION OF A HOME:

- Homes must be within the City limits
- Homes located in the 100 year flood plain are not eligible.
- Homes must be owner-occupied or vacant (not a current rental)
- Single-family dwelling and condo units are eligible.
- Homes will be inspected and must comply with Housing Quality Standards (based on health and safety requirements). Any repairs noted must be completed within 6 months of close.

TERMS:

The City's \$6,000 loan is a forgivable, 5 year loan, secured by a lien and agreement for covenants and restrictions. No payments are required as long as the home remains the primary residence of the qualified first time home buyer for 5 years.

The City's lien becomes due and payable when the homeowner sells the property, rents the property, adds someone to title other than an immediate family member, or changes the use from single family residential. The lien becomes due and payable upon refinance, if the refinance is not approved by the City's Housing Services division or the refinance exceeds the home's equity at the time of refinance.

LOAN PAYOFF:

The lien shall be for a term of five years, after which, the lien can be released.

MONITORING:

The City of Cedar Rapids staff will monitor annually to insure the home has remained the program participant's primary residence.



FIRST TIME HOME BUYER PROGRAM 2011-2012

CITY OF CEDAR RAPIDS



HOUSING SERVICES
1211 6TH STREET SW
CEDAR RAPIDS, IA 52404

JENNIFER BARTEN
(319) 286-5874
J.BARTEN@CEDAR-RAPIDS.ORG



THE CITY OF CEDAR RAPIDS' FIRST TIME HOME BUYER (FTHB) PROGRAM provides a \$6,000 forgivable loan to eligible households to increase the overall homeownership rate, create greater opportunity for home ownership among lower income and underserved households, and revitalize and stabilize communities.

Funds may be used to pay the down payment and /or closing costs associated with the acquisition.

APPLICANT ELIGIBILITY

Eligible participants must have gross annual incomes at or below 80% of the median area income for the City of Cedar Rapids, adjusted for household size. See table below. Household incomes must include all forms of income from those age 18 or above who currently reside or will reside in the home.

1 person	2 person	3 person	4 person	5 person	6 person	7 person
\$39,300	\$44,900	\$50,500	\$56,100	\$60,600	\$65,100	\$69,600

Additional Requirements:

1. Eligible applicants will be required to contribute a minimum of 1% down payment, which cannot be a loan.
2. Eligible applicants will be required to provide a certificate of completion for a HUD-approved home buyer education course.
3. Home must be located within the City limits of Cedar Rapids.
4. The purchase price of the home may not exceed \$200,160 for a single family dwelling.
5. Applicant will be responsible for obtaining their own mortgage financing.



FIRST TIME HOME BUYER DEFINITION

Eligible participants (both applicant and co-applicant) must meet one of the definitions of a FTHB as described below:

1. Applicant(s) shall not have owned a home within the last three years prior to application for the program;
2. A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not worked in the labor force for several years, has worked in the home to care for the home and family during that time, and is currently unemployed or underemployed and is having a difficulty finding or upgrading employment;
3. A single parent who, while married, owned home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated and has one or more minor children for whom the individual has custody or joint custody, or is pregnant.