

BASIC STEPS

- MAKE SURE YOU ARE ELIGIBLE
- GET PREAPPROVED FOR A HOME LOAN
- APPLY FOR THE PROGRAM
- COMPLETE HOME BUYER CLASS
- SECURE REALTOR SERVICES
- FIND A HOME
- CLOSE AND MOVE
- SELECTION OF A HOME

The home must be located within the city limits. The home must be owner-occupied or vacant. Homes located in the 100 year flood plain are not eligible.

Type and condition of home: Single-family dwelling or condo units are eligible for purchase under the program.

The city will inspect the dwelling for compliance with Housing Quality Standards (based on health and safety requirements). Any violation must be corrected or escrowed for prior to close.

An independent inspection by a certified home inspector is also recommended.



Making Home Ownership a Reality

TERMS

The City's 0% 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 home owner 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 division or the refinance exceeds the homeowner's equity at the time of refinance.

LOAN PAYOFF

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

MONITORING

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

CITY OF CEDAR RAPIDS

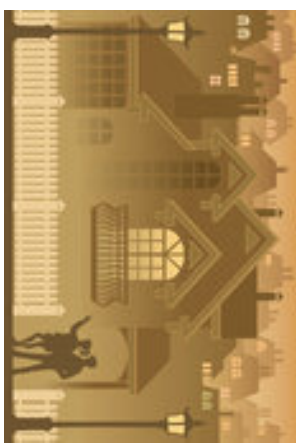
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CITY OF CEDAR RAPIDS

FIRST TIME HOME BUYER PROGRAM FY 2009

DOWNPAYMENT AND CLOSING COST ASSISTANCE



OFFICE : 3 1 9 . 2 8 6 . 5 8 7 4

FIRST TIME HOME BUYER PROGRAM

The City of Cedar Rapids's First Time Home Buyer

Program is designed to increase the overall homeownership rate, create greater opportunity for homeownership among lower income and underserved households, and to revitalize and stabilize communities. Funds may be used to pay the upfront costs of acquiring a principal residence, but not the entire cost of acquisition, and other reasonable and necessary costs incurred by the homebuyer. These other costs may include: private lender origination fees, credit reports, fees for title evidence, fees for recording and filing of legal documents, attorney fees, and private appraisal fees.

APPLICANT ELIGIBILITY

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

Maximum Family Income

1 person	2 person	3 person	4 person	5 person
\$37,850	\$43,300	\$48,700	\$54,100	\$58,450

First Time Homebuyer: Eligible participants (both applicant and co-applicant) must meet one of the definitions of a First Time Home Buyer as described below:

1. Applicant (s) shall not have owned a home within the last three years prior to application for the program; or
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 difficulty finding or upgrading employment; or
3. A single parent who, while married, owned a 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.

APPLICANT PRIORITY

Eligible participants who have lived or worked in the City of Cedar Rapids for a minimum of one year.



ADDITIONAL REQUIREMENTS

Eligible applicants will be required to:

1. Provide a minimum of 1% down payment, of which can not be a loan.
2. Prior to being accepted as a program participant (but not required prior to application for the program), provide certificate of completion for Homebuyer education. Classes include, home buying, credit and budgeting, and home maintenance.
3. Home must be located within the City limits of Cedar Rapids.
4. The purchase price of the home may not exceed \$190,152 for a single family dwelling.
5. Applicant will be responsible for obtaining their own mortgage financing.

TO QUALIFY:

- Must be a First time homebuyer or displaced homemaker.
- Must meet income guidelines
- Must have lived or worked in the City for at least one year.
- Must provide proof of all required information.