

## Homeownership Center of The Mid-Willamete Valley

### **FIRST-TIME HOMEBUYER ASSISTANCE AND LOAN PROGRAMS**

#### **DOWN PAYMENT ASSISTANCE:**

There are several down payment assistance programs for low-income families. To be eligible the buyer must qualify for a mortgage with a lender, complete a certified home ownership education program and, in most cases, have some money from their own resources as the match for the down payment assistance. The basic conditions are: Income restrictions depending upon family size; borrowers may not have more than \$5,000 in liquid assets (above those intended to be used for the purchase); borrower must be first-time buyer (or no ownership in last 3 years); buyer must occupy the home; and most require the completion of a homebuyer's training course.

Several of these programs may be joined together when you purchase a home. In order to receive these funds your lender must request them after you have qualified for a loan. They are available only if the lender certified that you need them in order to purchase the home. As a first-time homebuyer you personally cannot reserve the funds from these programs, but you should request that your lender reserve them for you.

**City of Salem, Homebuyer Assistance Program**— Assists qualified, low to moderate income first-time homebuyers with \$14,000 in down payment and closing costs to purchase a home within the Salem and Keizer city limits. Loan interest rate is 3% payments are deferred; repayment due in full at sale, lease or transfer of title. Requires \$500 in personal funds towards the purchase of the home. Buyers need not be residents of Salem or Keizer prior to purchase. For more information call The Homeownership Center (503-779-2680)

**Oregon Bankers Association Home Purchase Assistance Program (HPAP)** - May purchase a home anywhere in Oregon. Requires \$500 contribution from lender, seller, or other non-state source as match for up to \$1,500. Repayment is required at the time of resale, refinance, or when you no longer occupy the property. For more information call The Homeownership Center (503-779-2680) or Oregon Bankers Association (1-800-468-8558)

**HomeStart \$\$- Federal Home Loan Bank of Seattle** - Several banks participate in this program, which offers limited matching funds for down payment/closing costs. The program provides a 3:1 match up to \$5,000. Repayment: for each of the first 5 years of ownership/ occupancy, the repayment requirement drops 20% (\$1,000 yearly); no repayment required after five years. For more information call The Homeownership Center (503-779-2680).

**Home Ownership Opportunity Program (HOOP)** - Available to first time homebuyers with incomes up to 100% of the area median income in Lane, Linn, Benton, Marion, Polk, and Lincoln Counties. This is a fixed rate, 30 year amortized second mortgage loan up to 20% of the purchase price. Borrower must contribute own funds of 1% of purchase price. Not allowed with FHA but can be used with some other down payment assistance programs, Oregon Bond, etc. Contact Ken Smith at Willamette Neighborhood Housing Services: 541-752-7220 ext305, 800-403-0957, [www.w-nhs.org](http://www.w-nhs.org).

**Oregon Housing and Community Services (OHCS) Purchase Assistance Loan (PAL)** - These down payment and closing cost assistance loans are designed to accompany the OHCS Residential Loan Program State Bond Rate Advantage Loan. They offer up to \$10,000 per family, with a 0% interest rate and no payments due until the house is sold. Buyer must contribute \$1,000 or 1% of purchase price, whichever is lower. For more information call the Homeownership Center (503-779-2680).or click on the PAL link at [www.oregonbond.us](http://www.oregonbond.us).

#### **LOAN PROGRAMS:**

##### **Oregon Housing and Community Service (OHCS) Residential Loan Program State Bond Loan**

This program significantly reduces the interest rate for homes purchased in Oregon. Marion County income limits (2008) are \$58,700 for a 1-2 person household and \$67,505 for a household of 3 or more. Once you select the home you wish to buy and you enter into an earnest money agreement with the seller, you may apply for this loan through your lender and they will reserve funds on your behalf. For more information and the current interest rate go to [www.oregonbond.us](http://www.oregonbond.us) or call The Homeownership Center (503-779-2680).

##### **Rural Housing Direct Loan-Funded directly by the Government**

Rural Housing Section 502 Direct Loans are loans that are directly funded by the Government. These loans are available for low- and very low-income families to obtain homeownership in eligible rural areas. Family adjusted income must be below 80 percent of the area median income. Applicants may obtain 100% financing to purchase an existing dwelling, purchase a site and construct a dwelling, or purchase newly constructed dwellings. Applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories. Mortgage payments are reduced by payment subsidy which varies according to household eligibility. For more information call USDA (541) 750-7112

##### **Single Family Housing Loan Guarantee-Funded by approved Lenders**

Rural Housing Guaranteed Loans are loans funded by approved lenders and guaranteed by the US Dept of Agriculture. These loans are available for families to purchase a primary residence in eligible rural areas. Family adjusted income must be below \$73,600 for a 1-4 person household or \$97,150 for a household of more than 4 people. Applicants may obtain 100% financing to purchase an existing dwelling or purchase newly constructed dwellings. Closing costs may be able to be included in the loan. The interest rate is set by the lender and there is no required down payment. This program may be used in conjunction with the State of Oregon Bond Loan Program. Call The Homeownership Center (779-2680) for additional information or a list of participating lenders/brokers. For more information call USDA (541) 750-7112.