

CITY OF TRENTON

First Time Homebuyer Program



PROGRAM DESCRIPTION

The First-Time Homebuyer Program (FTHBP) promotes homeownership for low and moderate income homebuyers. Financial assistance is provided in the form of closing cost assistance and a matching down payment to qualified first time homebuyers as defined by the U.S. Department of Housing and Urban Development (HUD). Financial assistance is based on the buyer's household income, assets and homeowner history, an approved first mortgage loan terms and interest rate, meeting all FTHB program criteria, and the purchase of an eligible property in the City of Trenton.

ELIGIBLE APPLICANTS

Prospective homebuyers must meet the following requirements to be eligible to receive assistance:

- Purchase a home within the City of Trenton;
- Must be a First time homebuyer(s), have never owned a property OR have not owned a home in at least three years
- Must be able to obtain a home loan (mortgage);
- Be a qualified low-income or moderate income household;
- Occupy the property as their primary residence after the purchase;
- Attend certified housing counseling certificate courses; and
- Must be able to demonstrate sufficient income to afford the first mortgage based on a 35% income to PITI (Principal, Interest, Taxes and Insurance) ratio and an overall debt ratio of 45% (PITI and all other monthly obligations - credit cards, student or auto loans, etc.)
- Must be a United States Citizen.

TYPES OF ASSISTANCE

The minimum level of assistance provided for the First Time Homebuyer Program is \$1,000. Based on funding availability, the maximum level of assistance a homebuyer can receive towards a transaction is \$15,000. The funds can be used for a combination of down payment match and closing costs. All assistance provided by the City's FTHBP will be based on demonstrated need. Loans will be provided at zero (0) percent interest.

RESALE RESTRICTION

Recipients of assistance are required to maintain the unit as their primary residence for the duration of the restriction period. Annual certification of the owner's occupancy of the home is required during this period. The length of the term of the restriction period will be dependent on the total amount of assistance provided to the applicant:

- **Less than \$15,000 in total assistance: 5 year term**

At the end of the restriction period, the FTHBP loan will be forgiven.

INCOME LIMITS

All households applying to the program must be income certified by the City of Trenton. Income information must be provided for all members of the household and cannot exceed 80% of Area Median Income by household size. Income limits are revised by the US Department of Housing & Urban Development on an annual basis and currently set as follows:

<u>Household Size</u>	<u>Income Limit</u>
1 Person	\$55,950
2 persons	\$63,950
3 persons	\$71,950
4 persons	\$79,900
5 persons	\$86,300
6 persons	\$92,700
7 persons	\$99,100
8 persons	\$105,500

HOW TO APPLY

If you meet the income limits, have secured a mortgage commitment, and identified a property to purchase please complete the First Time Homebuyer Program Application. Please call (609) 989-3521 to schedule an appointment with CDBG program staff to review the completed application and documentation.

TO LEARN MORE,
VISIT WWW.TRENTONNJ.ORG OR CALL (609) 989-3521