

**Hudson County
Housing Resource Center
HUD Certified
Housing Counseling Agency
First-Time Homebuyers Program**

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**Hudson County Consortium Home
Investment Partnerships Program
(Jersey City Excluded)**

First-Time Homebuyers Program Summary

The Hudson County Department of Finance and Administration, Division of Housing and Community Development, has developed a program to provide income qualified households with homebuyer assistance in the form of a deferred payment second mortgage. Basically a deferred payment second mortgage is a no interest loan that does not require repayment provided that the terms and conditions of the agreement between the County and the homebuyer are met. These funds may be used by first-time homebuyers for acquisition or for the purchase of homes. There are requirements regarding the properties and prospective homeowners that can participate in this activity. The Hudson County Housing Resource Center Serves as the Administrative Agent for the First Time Homebuyer Program (the "Program").

ELIGIBLE PURCHASER

The prospective purchaser must meet three key eligible criteria in order to participate:

1. Must be a First-Time Homebuyer

A first-time homebuyer is defined as a household that has not owned a home during the three year period prior to purchase being planned with these funds.

Two types of households can qualify as first-time homebuyers that have owned a home within the three year period immediately prior to purchase. They are a displaced homemaker and a single parent.

A displaced homemaker means an adult who has not worked full-time, full year for a number of years but has, during such years, worked primarily without pay to care for the home and family, and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

A single parent means an individual who is not married, or legally separated from a spouse and has one or more children, or is expecting a child.

2. Must be Low-Income

The purchasing household must be low income at the time the home is initially occupied or at the time funds from the Program are invested. A low-income household is one whose annual income meets Federal guidelines.

There are no requirements that the first-time homebuyer remain low income after meeting the initial eligibility test.

The current income limits (5/2011) for Hudson County are as follows:

Family Size

HHS	Annual Income	Not to Exceed
1	\$26,350.00	\$39,300.00
2	\$30,050.00	\$44,900.00
3	\$33,800.00	\$50,500.00
4	\$40,150.00	\$56,100.00
5	\$40,550.00	\$60,600.00
6	\$43,600.00	\$65,100.00
7	\$46,600.00	\$69,600.00
8	\$49,650.00	\$74,100.00
9	\$52,700.00	\$78,600.00
10	\$55,750.00	\$83,100.00

For the purpose of the Homebuyer Program, affordability is achieved in the monthly payments for principal, interest, property taxes, condominium or common fees and mortgage and property insurance do not exceed a maximum of 38 percent of a household with an income that is 80 percent of the median income adjusted for size of household for Hudson County.



3. Principal Residence

The purchaser household must use the property as its principal residence.

All Eligible Applicants are required to complete a First-Time Homebuyer Counseling Program.

ELIGIBLE PROPERTY TYPES

The First time Homebuyer Program offers a wide range of property types that can be funded. Any property type which serves as the purchaser's principal residence may be assisted, including; single family property, a two unit property, a condominium unit, a manufactured home.

PROPERTY STANDARDS

Property assisted by this program must meet certain minimum property standards at the time of occupancy. The assisted unit must be free from all health and safety defects before occupancy and not later than six months after the transfer. Also, the unit must meet Housing Quality Standards not later than one year after transfer of ownership.

PROPERTY VALUE

All first-time homebuyer properties require an appraisal. The appraised value of a property assisted by this program may not exceed a limit established by Federal guidelines for the type of property being purchased. If rehabilitation is required, the appraised value after rehabilitation may not exceed the established limit in accordance with the Department of Housing and Urban Development (HUD) regulations.

RESALE, RECAPTURE RESTRICTIONS AND LONG TERM AFFORDABILITY

a. Definition of Affordable – For the purpose of resale, affordability is achieved if the monthly payments for principal, interest, property taxes, condominium or common fees and mortgage and property insurance do not exceed a maximum of 38 percent of a household with an income that is 80 percent of the median income adjusted for size of household for Hudson County.

Assistance amount per-unit Minimum period of affordability

Under \$15,000	-	5years
\$15,000 to \$40,000	-	10years

b. Resale and Recapture – To ensure affordability, the Hudson County Consortium must impose either resale or recapture requirements, at its option to comply with HUD regulations. The Program has established the Recapture provision that the Hudson County Consortium recoups 100% of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The period of affordability is based upon the total amount of HOME funds provided to assist the homeowner.

Special considerations for single-family properties with more than one unit.

If the HOME funds are only used to assist a low-income homebuyer to acquire one unit in single-family housing containing more than one unit and the assisted unit will be the principal residence of the homebuyer, the affordability requirements of this section apply only to the assisted unit.

ENFORCEMENT PROVISIONS

A deed covenant will be used by the County to ensure that the first time homebuyer retains the property as a principal residence. The deed will also include covenants regarding the resale requirements and affordability controls specified above.

A promissory note and mortgage shall be used by the County to ensure that all provisions of the loan assistance terms and conditions are met.

Servicing all of Hudson County, excluded Jersey City.

Bayonne, East Newark, Guttenberg, Harrison, Hoboken, Kearny, North Bergen, Secaucus, Union City, Weehawken, West New York

Residence type:

1-2 Family Homes, Condo & Manufactured Home.

