

TOWN OF TONAWANDA

First-Time Homebuyer's Program

Fact Sheet - 2021

- Participant must first attend a First-Time Homebuyers Workshop sponsored by Belmont Housing Resources. (884-7791), or another HUD Certified Housing Counseling Agency prior to receiving and submitting an application for assistance by the Tonawanda Community Development Office. **Online courses are usually not acceptable; however, during this time of COVID, we will accept online courses if they are the only option available.**
- IT IS RECOMMENDED THAT AN APPLICANT MUST BE APPROVED FOR PARTICIPATION IN THE PROGRAM **BEFORE** SIGNING A SALES CONTRACT / PURCHASE OFFER FOR A HOUSE.
- Any house for which assistance is requested must pass an inspection by a Town Code Enforcement Officer based on the NYS Property Maintenance Codes and Federal Housing Quality Standards. As part of the inspection, interior and exterior surfaces will be evaluated for lead paint hazards per Title X Guidelines for the Evaluation and Control of Lead-Based Paint Requirements (regulations can be found in the Federal Register at 24 CFR Part 35, Part II). If there is any paint failure (i.e. cracked, chipped or peeling interior or exterior paint) the house **WILL NOT** pass inspection. It will be the responsibility of the seller or purchaser to remedy the situation and then have the house "Clearance Tested" by an EPA Certified Risk Assessor before closing on the property. Documentation of such inspection will be required. All Lead Based paint rehabilitation work shall be performed by lead certified workers.
- The prospective homebuyer's gross annual household income must be no more than the income listed below for the appropriate household size. Please note that the gross income of all persons who will be residing in the house to be purchased must be counted in determining income-eligibility.

<u># of Persons</u>	<u>Maximum HH Income</u>	<u># of Persons</u>	<u>Maximum HH Income</u>
1	\$ 44,200	5	\$ 68,150
2	\$ 50,500	6	\$ 73,200
3	\$ 56,800	7	\$ 78,250
4	\$ 63,100	8	\$ 83,300

- Prospective homebuyer must be credit-worthy and capable of being approved for mortgage financing; Mortgage lenders must escrow property and school taxes, and hazard insurance payments.
- Prospective homebuyer must not have owned a home within the past three years. Exceptions are "Displaced Homemakers" and "Single-Parents".
- Mortgage financing must be a traditional 30-year, fixed-rate mortgage. Homebuyer assistance will not be provided in conjunction with any mortgage product having an interest rate greater than 3% above the current conventional fixed, 30-year rate as advertised in the *Buffalo News HomeFinder*.
- **There is a maximum limit of \$20,000 for closing costs/downpayment for cash/gifts. You can have a grant through a bank. If you have a loan through another housing agency, it will count towards the \$20,000. If you have a loan through another housing agency and they don't agree to take a lower lien position below the Town of Amherst HOME Consortium, you must choose one or the other, but cannot use both.**
- Home to be purchased must:
 - be a single-family house located within the Town of Tonawanda, including the Village of Kenmore, outside the 100-year flood plain, and situated on a parcel of land to be owned by the purchaser;
 - be in good condition and be able to pass inspection by a Town Code Enforcement Officer based on NYS Property Maintenance Codes & Federal Housing Quality Standards. (This IS NOT considered a Home Inspection for the client. The Town strongly encourages the buyer to obtain an independent, 3rd party, home inspection from a NYS licensed & certified home inspector).
 - purchase price can be no more than \$170,000 and have a mortgage limit of no more than \$150,000.
 - be financed by a bank or other financial institution. Homes financed by private mortgages are not eligible.

Assistance is provided in the form of a 0% interest deferred loan for closing costs assistance. Covered closing costs include those costs listed in the Closing Disclosure Statement (excluding fees paid outside of closing), property and school tax adjustments, reimbursements and escrow funds. Assistance must be used for closing costs. **NO CASH BACK TO THE PURCHASER.** The loan is repaid upon sale, transfer of title, death of the homeowner, mortgage refinancing increasing their mortgage, when additional secured debt (such as a home equity loan) is obtained, or when the property ceases to be the owner's primary residence.

Assistance is provided regardless of race, color, religion, sex, national origin, disability, marital status, age, familial status, military status, sexual orientation, source of income, gender identification, or immigration and citizenship status.

Contact the Town of Tonawanda Planning & Development Office at 871-8847, Ext. 2 if you have any questions.