

BASIC STEPS

1. HUD-Approved homebuyer education
2. Mortgage Pre-Qualification
3. Submit FTHB application packet
4. 90-day FTHB Pre-Qualification to find a property
5. FTHB Approval of property/mortgage
6. FTHB Inspection
7. Closing

NOTE: closing must be at least 14 days from application date. Applications will not be accepted with a purchase closing less than 14 days. However, the application process can take longer than 14 days. Buyers are encouraged to wait to find a property until they have FTHB Pre-Qualification.

FIRST-TIME BUYER CRITERIA

Buyers must be first-time buyers, or cannot have owned their principal residence for at least 3 years prior to application. Mobile home owners are considered first-time buyers for this program. There are two special circumstances where the 3-year requirement can be waived:

- Displaced Homemaker following divorce
- Single Parent following divorce

Contact City staff for details about these two circumstances.

The City of Cedar Rapids' **FIRST TIME HOME BUYER (FTHB) PROGRAM** provides up to \$14,999 as a forgivable loan to eligible households to assist with down payment and closing costs. To be eligible, participants must meet four main requirements:

- Be a First Time Buyer
- Be Income Eligible—including income, assets, and debt calculations
- Purchase an Eligible Property
- Secure Acceptable Mortgage Financing

Assistance is provided as a 5-year forgivable mortgage. Buyers must reside in the house for the 5-year term and meet annual monitoring requirements.

Additional program guidelines apply.
More information and online application link can be found at
www.CityofCR.com/FTHB

Community Development Department
Housing Services
City Hall—First Floor
101 First Street SE
Cedar Rapids, IA 52401

Jennifer Barten
Homeownership Program Coordinator
(319) 286-5874
J.Barten@Cedar-Rapids.org



FIRST TIME HOME BUYER PROGRAM

**DOWN PAYMENT &
CLOSING COST
ASSISTANCE**

SPRING 2024

INCOME ELIGIBILITY

Income is based on the whole household, and uses gross annual income calculations.

Income maximums are shown in the chart below.

Housing and Debt to Income Ratios:

Households must meet maximum housing and total debt to income ratios. There are two sets of ratios, based on household income.

- Above 50% AMI:
 - 31% housing cost
 - 43% total debt to income
- At or below 50% AMI:
 - 28% housing cost
 - 38% total debt to income

AMI calculations available on the program website.

MORTGAGE CRITERIA

Mortgages must meet “Qualified Mortgage” criteria and meet additional requirements, including no non-occupying co-signers.

ARM’s (adjustable rate mortgages) must be fixed for at least 10 years and meet other terms.

ASSET ELIGIBILITY

There are several requirements regarding assets (checking, savings, etc.).

Maximum: \$25,000 in non-retirement assets.

Amounts above this must be put toward down payment.

Minimum: \$1,000 shown in statements for two months prior to pre-qualification.

Down Payment: Participants are required to contribute their own down payment. The funds must be available in assets at pre-qualification, in addition to the \$1,000 minimum . The amount varies based upon total non-retirement assets:

- Assets \$7,500 or less \$500*
- \$7,501—\$10,000 \$1,000
- \$10,001—\$15,000 \$2,000
- \$15,001—\$25,000 \$3,000

*Households at or below 50% AMI are capped at \$500, regardless of assets.

Negative Balances: Checking and savings accounts must have positive balances for the two months prior to pre-qualification. Negative balances may delay the pre-qualification process.



PROPERTY REQUIREMENTS

- Within the City of Cedar Rapids limits
- House, property, and access must be outside 100-year flood plain
- Homes must be owner-occupied or vacant (not a current rental property with tenants).
- Single-family and condo units are eligible; mobile home purchases are not eligible.
- Homes will be inspected by City staff and must comply with Housing Quality Standards, based on health and safety requirements.
- The purchase price may not exceed \$193,000* for a single family dwelling (*effective 7/1/2023).

Buyers are encouraged to use a Realtor/ Real Estate Agent and get a whole house inspection to make an informed decision.

MAXIMUM TOTAL HOUSEHOLD INCOME—ANNUAL GROSS (PRE-TAX AMOUNT)**

1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person	9 person
\$53,000	\$60,600	\$68,150	\$75,700	\$81,800	\$87,850	\$93,900	\$99,950	\$106,000

**Effective 6 /15/2023. Contact staff for larger household size limits.