




# INFORMATION TO KNOW FOR FIRST-TIME HOMEBUYERS



The University Neighborhood Housing Program (UNHP) strives to assist interested families and individuals become first-time homeowners. If you are interested in owning a home, condominium, or co-op in the Bronx, we are here to help and provide you with the most up to date information. Below we accumulated helpful information about the different housing types and programs available to first-time home buyers.

## THREE COMMON HOUSING TYPES:

 <b>HOUSE* (two types):</b> <b>Single Family:</b> Located on a lot. It might be attached to another house. You purchase both the land and the building. It often has a front and a backyard. <b>Multi-Family:</b> Located on a lot, and contains multiple units within the house. You purchase both the land and the building. You can rent the other units to other families and take on the responsibilities of a landlord.	 <b>CONDOMINIUM (Condo):</b> Similar to a townhouse or an apartment. You own the property and can build equity. You pay property taxes to the City as part of the mortgage and a homeowner association fee. It is usually more expensive than a co-op.	 <b>COOPERATIVE (Co-op):</b> Similar to an apartment. You do not own the physical property, but share the ownership with the other cooperators. You will pay property taxes to the co-op, not the City. You must be approved by the co-op board before “buying-in.” There is an additional monthly fee that’s separate from the mortgage.
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If you are interested in any of the three housing types above, NYC’s Housing Preservation and Development Office (HPD) and many banks offer programs and “community” mortgage contracts for first-time homebuyers. These programs offer favorable benefits and terms for first-time homeowners. In addition, they can help you pay a lower down payment, lower closing costs, and other associated fees. Below are just three of the most common assistance programs in New York City. If you meet eligibility for each, you can layer them:

**Home First Down Payment Assistance Program:** HPD’s program provides qualified homebuyers up to \$25,000 for the down payment or closing costs on a 1-4 family home, condominium, or co-op in one of the five neighborhoods in NYC. Program eligibility require you to be a first-time homeowner, complete a homebuyer education course, have your own savings to contribute towards the down payment, meet income eligibility, purchase one of the above housing types in NYC, pass a housing quality standards inspection before purchase, and live in the home for at least 10 or 15 years depending on the household income determined by area median income (AMI). 80% AMI for family size of 1 is \$53,450. <http://www1.nyc.gov/site/hpd/owners/homeowner-downpayment-assistance.page>

**First Home Club (FHC):** The program is serviced by the Federal Home Loan Bank and provides assistance in the form of matching funds of up to \$7,500 based on the homebuyer’s systemic savings to a dedicated savings account. This amount is based on a 4:1 match of the household’s savings (this means if you save \$1,875, the lender will offer a grant of \$7,500). Total matching funds of \$9,375 can be used towards the down payment or closing costs for the purchase of the home.

**Here are a few of the club’s eligibility requirements:** be an individual who has had no ownership in a principal residence, household income should be less than 80% of the area median income (AMI), demonstrate a two year steady stream of income, meet the income guidelines, save systematically in a savings account for a minimum of 10 months, along with a few other requirements. M&T and HSBC are participating FHC lenders. For match fund, club member must receive mortgage product by one of the participating lenders. <http://www.fhlbny.com/community/housing-programs/fhc/fhc-information-for-hlb-member-community-lenders.aspx>

**SMARTMOVE NYC:** SmartMove helps first time homebuyers in New York State purchase homes by providing a low-interest loan that can be used for downpayment. This allows you to put down as little as 1% of the purchase price towards the purchase of their home, avoid mortgage insurance, and benefit from lower mortgage payments. <https://hdfconnects.org/smny/>

*\*Homebuyer Beware—Houses are generally more expensive to purchase and maintain than condos and co-ops. You will not be responsible for a monthly or association fee like the other two housing types, but will be solely responsible for the fees associated with upkeep, repairs, replacements and maintenance of the home. You will also be responsible for the cost of electricity, water, sewer and heating.*

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**Follow-up Steps:** If you are interested in learning more about becoming a homeowner, schedule an appointment with a financial coach at UNHP to review credit, income, budget and savings and mortgage readiness (718) 933-2539. UNHP hosts regular first-time homeowner workshops and can help you with applying to first-time homebuyer incentive programs and other grants!

## NEXT STEPS:

- 1

Meet with Financial Coach  
Date Scheduled: \_\_\_\_\_
- 2

Determine if I qualify for 1st time homebuyer grants
- 3

Request pre-approval from lender
- 4

Meet with a realtor and homeowner counselor
- 5

Select an attorney and inspector

Before you meet with a counselor, it is important that you think about the following questions.

		For the Coach: Revised Goals (if any)
What type of housing are you interested in?		
In which area of NYC are you looking to buy?		
What is your price range?	\$ _____	Affordable Purchase Price:
Are you saving towards a down payment?* If so, how much do you have saved?	\$ _____	
How much will you need to save? (Usually you will need 10% of property value, towards down payment, closing cost & fees) What is your time frame to buy?	\$ _____ months _____ years	
If interested in enrolling in FHC, please ask us for an application! Can you save \$188 for 10 months of \$105 for 18 months?		
Do you file taxes every year?		

*\*A typical down payment is 10% of the sales price, depending on the housing type, you might need a higher down payment. First-time homebuyer programs can help cover part or most of the down payment.*

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Below you will find a list of helpful information and document(s) to know and bring to your initial session with a financial coach. Do not worry if you do not already know or have this information, a financial coach can help you!

Annual Income?		
Household Size?		
Are you self-employed? If so, how much do you earn?		
How long have you been employed?		
Do you think your credit score is good?		
Is there any negative information on your credit report?		
Do you want to enroll in the FHC now?	To enroll, you'll need a recent paystubs, tax returns, and bank statements	
If you were to purchase a home, do you see yourself moving from it before at least 10 years?		
<b>Helpful information and document(s) to bring to your initial session if you can:</b> <ul style="list-style-type: none"> <li>• Tax returns</li> <li>• Bank Statements</li> <li>• Credit Score Pulled</li> <li>• Credit Report</li> <li>• Total Amount of Current Debt</li> </ul>	What information do you already have?	Information for the coach

**For staff, if follow-up is needed:**

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_