



MaineHousing

Maine State Housing Authority

www.mainehousing.org

First Home Program



**Affordable, fixed rate
mortgages**

Dear Future Homeowner,

MaineHousing's First Home Loan Program makes it easier and more affordable to buy a home of your own.

There are many reasons to consider a MaineHousing First Home loan:

- 🏠 Low fixed interest rates
- 🏠 No point and low point options
- 🏠 Options with little or no down payment
- 🏠 Down payment and closing cost assistance

🏠 Purchase price plus energy efficiency upgrades and other home improvements in one loan — one closing.

🏠 Payment protection if you become unemployed

MaineHousing's low interest rates can save our average homebuyer tens of thousands of dollars over the full term of the loan.

MaineHousing is Maine's Housing Finance Agency. More than 50,000 people have achieved the dream of homeownership with a MaineHousing mortgage. Maybe it's time for a home of your own, too!



— Dan Brennan,
Maine State Housing Authority Director

Am I eligible?

If you can answer “yes” to these questions, you may be eligible for a MaineHousing First Home mortgage:

■ Am I a first-time homebuyer?*

If you have not held an ownership interest in your principal home within the past 3 years, you qualify as a first-time homebuyer. That means even if you’ve owned a home before, you may still be eligible.

**Waived for qualified active duty, veterans, and retired military. Visit www.mainehousing.org/homeloan for details.*

■ Do I have enough (or too much) income?

Although income limits apply, most Maine households are income eligible for the program. Limits vary depending on how many people live in your household and where you plan to buy your home.

For more information on income limits, see the back pocket of this brochure, or go to www.mainehousing.org/homeloan.

To verify your income eligibility for a First Home mortgage, go to www.mainehousing.org/firsthomelimits.

What kind of home can I buy with a First Home mortgage?



New and existing single-family homes



Owner-occupied, 2- to 4-unit apartment buildings



Condominiums



Permanently attached mobile homes manufactured within the last 20 years

While purchase price limits apply, they can vary by location and most Maine homes are price eligible.

For more information on purchase price limits, see the back pocket of this brochure, or go to www.mainehousing.org/homeloan.

Why consider a MaineHousing mortgage?



Low, fixed interest rates

MaineHousing interest rates typically are lower than market interest rates for similar products. For information on current interest rates, go to www.mainehousing.org.

Our interest rates are fixed, so your principal and interest payment will never increase.

Lower interest rates mean lower monthly payments, and can save the average MaineHousing homebuyer tens of thousands of dollars over the full term of the loan.

Talk with a MaineHousing First Home Lender about which options are best for you.

Down payment and closing cost assistance

MaineHousing offers help with down payment and closing costs. Closing costs include various expenses associated with your real estate transaction, such as the property appraisal, title search, credit check, and legal fees. Closing costs may also include escrowed taxes, insurance, and pre-paid interest.

Check www.mainehousing.org/homeloan for information on current offers.

No points or low points

Discount points can be paid at closing to reduce your interest rate. Each point is equal to one percent of the loan amount.

MaineHousing offers both a zero point and a two point mortgage option.

If you choose the two point mortgage option, you can pay for the points yourself or negotiate with the seller to pay the points on your behalf.

30 year term

MaineHousing mortgages usually have a 30-year term. Terms for mobile homes, however, are 20, 25, or 30 years depending on the age of the home.

More reasons to consider a MaineHousing mortgage



Little or no down payment

A MaineHousing loan with mortgage insurance can help you buy a home with little or no down payment. A down payment is the part of the home purchase price that you pay in cash. The amount of down payment depends on the mortgage insurance you choose:

Mortgage Insurer	Down Payment
Rural Development (RD)	0%
Department of Veterans Affairs (VA)	0%
Federal Housing Administration (FHA)	3.5%
Private Mortgage Insurance (PMI)*	5%

*Check MaineHousing's list of approved private mortgage insurance companies.



Include home improvements in your loan amount

If you want to purchase a home that needs repairs, the Purchase Plus Improvement option may help. It allows the purchase and repair of a home with one loan. If you are eligible, you may include between \$500 and \$35,000 for home improvements in your mortgage, as long as the cost of the home and repairs does not exceed program purchase price limits.

Eligible improvements include energy efficiency upgrades, heating, plumbing, or electrical systems, home additions, and general repairs.

Payment protection for unemployment



A MaineHousing mortgage may provide payment protection if you lose your job. Maine HOPE – HomeOwnership Protection for unEmployment – can help eligible borrowers by making four MaineHousing mortgage payments, including taxes and homeowners insurance. The amount paid becomes a junior mortgage lien, with no interest. The lien is repaid when you pay off your MaineHousing mortgage, sell the home, or stop using the home as your primary residence.

Homebuyer Education



Consider a hoMEworks homebuyer education class

Homebuyers who use the Advantage down payment and closing cost assistance must take a hoMEworks-approved live or online homebuyer education class, but anyone thinking of buying a home can benefit from taking a class.

A homebuyer education class is an easy, inexpensive way to learn more about financing a home. Homeowners who have taken the class say it helped them understand their options and make more informed buying decisions.

More than 100 hoMEworks-approved homebuyer education classes are held throughout Maine year round. Go to www.mainehomeworks.org for the schedule, or contact MaineHousing for more information.

Include a contingency clause in your Purchase & Sale Agreement

A Purchase & Sale (P&S) is a contract signed with the owner of the house you want to buy, which says you promise to buy the house at a certain price within a specific amount of time.

Your P&S should include a mortgage contingency clause, which states that your ability to buy the house depends on obtaining MaineHousing financing at the current interest rate. If for some reason you are unable to get a MaineHousing loan, you will not be obligated to buy the house if your P&S lists this condition.

Consider a home inspection

It's a good idea to include a home inspection in your P&S, too. A home inspection tells you if the house has any structural problems or needs repairs. It is not the same as an appraisal – an appraisal only evaluates the market value of the property.

Your investment in a home is worth the cost of a home inspection.

If the house was built before 1978, you also may want an inspection by a licensed lead hazard risk assessor. Lead paint is common in older homes and deteriorating paint can be a very serious health hazard, especially to children.

Understand recapture

Because MaineHousing First Home mortgages are financed with revenue bonds, they are subject to a federal recapture provision. This means that *if* you sell the home within nine years of purchase *and* you make a profit *and* your income has increased substantially, the federal government *may* claim in taxes a portion of the money you saved with a MaineHousing mortgage. IMPORTANT NOTE: MaineHousing will reimburse borrowers for any recapture tax paid to the IRS. This removes concerns homebuyers may have about the possible cost of recapture tax. For more details, see www.mainehousing.org/recapture.

How do I apply?



Contact a MaineHousing First Home Lender

MaineHousing offers mortgages through a statewide network of banks, credit unions, and mortgage companies designated as our First Home Lenders.

A MaineHousing First Home Lender will help determine what you can afford to pay, what mortgage options are right for you, and help complete your loan application.

Once you find the home you want and bring a copy of the Purchase & Sale Agreement to your lender, the lender will start to process your loan.

To find a MaineHousing First Home Lender, see the MaineHousing lender list in the back pocket of this brochure, or go to www.mainehousing.org/mainehousinglenders.

MaineHousing Programs and Services

Opening the door to homeownership

- Low fixed rate mortgages for first time homebuyers
- Down payment and closing cost assistance
- Payment protection for unemployment
- Homebuyer education

Helping renters

- Financing development of new affordable rental housing
- Section 8 Housing Choice Vouchers

Making homes safe and warm

- Fuel assistance
- Home weatherization
- Home repair
- Disaster recovery loans

Housing people who are homeless

- Shelter funding
- Financing development of transitional housing
- Short term rental assistance for housing stability

Maine State Housing Authority ("MaineHousing") does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.



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