



## **1st Time Homebuyer**

## **Down Payment Assistance**

Yamhill Regional Housing Resource Center is a community based nonprofit organization that offers homebuyer education classes, credit counseling and financial literacy classes, free internet access for research, credit repair and self-sufficiency resources.

Our Center provides a centralized educational and resource location. If you have any questions regarding programs in this pamphlet please call us at 503-883-4307.

## General Qualifying Standards

In order to receive many of the down payment assistance funds, your lender must request them after you have qualified for a loan. They are available only if the lender certified that you need them in order to purchase the home. As a first time homebuyer, you personally cannot reserve the funds from the programs, but you should request that your lender reserve them for you.

The basic requirements for these programs generally are:

### Be a “first-time homebuyer” which means

- Buyer must be considered low-income according to the US Department of Housing and Urban Development's current year guidelines; the purchasing household must earn less than 80% of area median family income. See income chart below
- A purchasing household must also have high enough income to pay monthly housing payments.
- Buyer must have no more than \$5,000 in liquid assets (above those intended to be use for the purchase).
- The buyer is a displaced homemaker; or the buyer is a single parent.
- Buyer must be a first-time buyer (or not have owned a home in the last 3 years).
- Buyer must occupy the home after purchase.
- Buyer must be pre-approved by the lender.

Yamhill	FHA Mortgage Limit		\$213,750				
Yamhill	80 % Median Income		Maximum Family Income Limits				
1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700

Please be aware, each program has its own specific requirements, as well.

### **Please note:**

There are several first time homebuyer assistance programs available in this area. These programs may offer reduced interest rates, matching funds for down payment and/or closing costs, or relaxed debt ratios. In some cases, several programs can be combined. Most Banks offer First Time Homebuyer incentives or programs. We can help you with specific program requirements.

*These programs change frequently, so it is best to talk with your Regional Housing Center when you are preparing to purchase.*

### **The 7 Don'ts**

**7 things you should NOT do when applying for a home loan! The following items may prove to be detrimental when you wish to move forward with the loan process**

- 1. Don't buy or lease an auto!**
- 2. Don't move assets from one bank account to another!**
- 3. Don't change jobs!**
- 4. Don't buy new furniture or major appliances for your "new home" until after closing!**
- 5. Don't run a credit report on yourself!**
- 6. Don't attempt to consolidate bills before speaking with your lender!**
- 7. Don't pack or ship information needed for the loan application!**

**You will need - W-2's for the past two years, Tax Returns for the past two years, pay stubs, divorce decrees, bankruptcy papers.**

**If you do any of these things while you are in the loan process contact your lender immediately!**

**For more detailed information please visit your Regional Housing Resource Center**

## Listed below are Yamhill Regional Housing Centers workshops

### Educational Requirements & Opportunities



### **The ABCs of Homebuying A Key to Successful Homeownership**

#### **Details about the Class:**

It is a 6-part course teaching first time homebuyers how to prepare for successful homeownership. Experienced volunteers from the real estate and banking industry teach the course. Completion of the course satisfies the homeownership education requirements for certain down payment, closing cost, grant and loan programs.

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### **Financial Literacy Classes A Guide to Financial Stability**

#### **Details about the Class:**

This is a multipart workshop. Topics covered are:

- **Asset Building**
- **Setting reachable Goals**
- **Overcoming Financial Obstacles**
- **How to find the Money to Save**
- **Creating a Spending Plan**
- **How to Communicate about Money**
- **Your Credit Report**

**These are some of the down payment and/or closing cost assistance programs available in this area.**

### **Oregon State Bond**

"OHCS helps low and moderate income households in Oregon buy their first home by providing below-market rate financing and cash assistance through our Residential Loan Program, also known as the "Oregon Bond Loan". The program's below-market rate helps eligible families increase their home purchasing power and lower their monthly house payments to be affordable."

#### **Rate Advantage Home Loan**

- Loan fixed for 30 years
- Low interest - check with lender or website
- The below market interest rate helps eligible families increase their home purchasing power and lower their monthly house payments
- If you sell the home within 9 years of purchase you may be subject to recapture fee, if the borrower and property meet certain requirements.

#### **Cash Advantage Home Loan**

- Similar to Rate Advantage
- Interest rate is 1/2% higher than Rate Advantage
- Gives the buyer cash assistance equal to 3% of the Loan Amount
- Helps you come up with the cash you may need to close the loan

To Locate a Friendly Lender or for a list of Homebuyer Training Providers, visit Oregon Housing and Community Service's web site at: [www.oregonbond.us](http://www.oregonbond.us)

## Rural Housing Direct Loan Program

These loans are available for low and very low-income households to obtain homeownership. Applicants may obtain 100% financing to purchase an existing/new home, or to purchase a site and construct a dwelling in Rural Yamhill County. The purpose of this loan is to provide financing at reasonable rates and terms, and mortgage payments are based on the household's adjusted income. Applicants must have very low (below 50% of area median income) or low income (50% - 80% of median income). Terms, interest rate, and amount of subsidy are determined by specific guidelines. For more information on this program, contact your Regional Housing Center.

## Habitat for Humanity

Habitat for Humanity partners with families in need, to build simple, decent and affordable housing.

Each family selected provides 500 hours of sweat equity to build their home, side by side with volunteers from the community.

Each family makes no interest mortgage payments on their home when it is completed, and those mortgage payments are used to build more houses in the local area.

For more information please contact:  
<http://www.habitat.org>

**McMinnville Area Habitat for Humanity**  
PO Box 301 • McMinnville, OR 97128  
e-mail: [beckyhabitat@onlinemac.com](mailto:beckyhabitat@onlinemac.com)  
Phone: (503) 472-9637

**Newberg Area Habitat for Humanity**  
PO Box 118 • Newberg, OR 97132  
e-mail: [habitat@open.org](mailto:habitat@open.org)  
Phone: (503) 537-9938

## VA Fixed Rate Loans

Fixed rate products with the options of 15, 20, 25 or 30 year terms. The interest rate remains fixed for the life of the VA loan. The Department of Veteran Affairs guarantees these loans. Loans are assumable under certain conditions and do

not contain a prepayment penalty. For more information on this and other Veterans loan programs visit your local Regional Housing Center.

### Single Family Housing Loan Guarantee

This is a 100% (may be up to 102% to cover certain fees) financing program guaranteed by the US Department of Agriculture for the financing of a primary residence located in rural areas (outside urban growth boundaries). The seller may pay all closing costs; however, the property value must meet or exceed the amount of the loan. Purchase price and income/family size restrictions apply. This program may be used in conjunction with the State of Oregon Bond Loan Program but may not be used with any downpayment assistance since it is 100% financing. For more information on this program, contact your Regional Housing Center.

### YCDC – Mutual Self Help Housing

Mutual Self Help Housing is a group method of home construction for limited income individuals. The group provides mutual labor exchange in the construction of their homes.

Income eligibility is determined through employment or seasonal jobs for all members in the household who are 18 or older. Other income that is used to determine eligibility is for any member of the household, that receives benefits from social Security, unemployment, public Assistance, Child Support, VA benefits, etc.

For more information on this program please contact the Yamhill Community Development Corporation (YCDC) office either by dropping in or calling and requesting an application be mailed to you.

Yamhill Community Development Corporation  
1107 N Baker St. • McMinnville, OR 97128  
Phone 503-434-5265 • Toll Free: 866-544-0191  
www.yamhillcdc.com • TTY: 800-735-2900

## FHA

FHA Insured Loan Through this HUD (Department of Housing and Urban Development) program, FHA insures mortgages made by qualified lenders to people purchasing or refinancing a home of their own. FHA's mortgage insurance programs help low- and moderate-income families become homeowners by lowering some of the costs of their mortgage loans.

The following is a list of FHA Downpayment programs.

- The Nehemiah program
- The Housing Action Resource Trust (HART) program
- The AmeriDream, Inc.
- The Partners in Charity (PIC)
- Consumer Debt Solutions, Inc. (CDS)
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For more information on a particular program please call or visit your local Housing Resource Center.

## Purchase Assistance Loan (PAL)

Oregon Housing and Community Services (OHCS) is pleased to launch the Purchase Assistance Loan (PAL). This new program has been made possible with funding from the U.S. Department of Housing and Urban Development (HUD). PAL provides low-income first-time homebuyers the funds they need to pay their downpayment and reasonable closing costs. The funds are provided in the form of a 0% interest loan and the payments are deferred. The maximum loan amount is \$10,000.

**If you are interested in obtaining PAL assistance you must:**

- 1. Complete a qualified homebuyer training class.**
- 2. Get pre-qualified for primary financing by a participating lender.**
- 3. Have a signed sale agreement to purchase an eligible home.**

## Ameridream

To participate in AmeriDream's Downpayment Gift Program, a homebuyer must contact a lender and qualify for a loan that allows gift funds, and the homebuyer must purchase a home from a builder or seller who has enrolled his or her home in the program.

The homebuyer should submit, through his or her lender, a gift program application to AmeriDream at least 24 hours prior to settlement/closing. The funds will be wired to the settlement/closing agent on the day of settlement/closing.

Upon settlement, builders/sellers pay a service fee to AmeriDream based on the program in which they participate

## Home Purchase Assistance Program for First Time Homebuyers

### *(Limited Funds Available)*

The Home Purchase Assistance Program for first-time homebuyers operates together with your lender, a member of the Oregon Bankers Association or the Oregon Mortgage Lenders Association, to assist you in the purchase of your first home.

Your lender can make available to you a 0% interest \$1,500 second-mortgage loan for your down payment and/or closing costs, along with matching assistance from your lender or other qualified sources valued at a minimum of \$500.

As long as you meet all the program requirements, repayment of the \$1,500 loan is not required until you sell, transfer, or refinance your home.

The following information will provide you with a basic summary of the program's requirements. More detail is available from participating eligible lenders. The Oregon Bankers Association, Oregon Mortgage Lenders Association, Oregon Housing & Community Services Department and your lender are pleased to help you purchase your first home!

## VIDA

Is a collaborative of thirteen organizations in or near the Willamette Valley of Oregon. VIDA is committed to help develop wealth through Individual Development Accounts (IDA's). This program gives the opportunity to grow financially and to begin accumulating assets.

Each VIDA organization provides financial education, asset specific education, and matched savings accounts to help the participants reach their goals.

An IDA is a special matched savings account designed to help participants and their family: Maximum match would be \$4000.

To be eligible you must:

- meet income guidelines
- be at least 18 years old
- and be committed to improving your life

## Home\$tart Grants

May be used for down payments, closing costs, or rehabilitation of an owner-occupied housing unit, including a condominium or cooperative housing unit, to be used as the household's primary residence. Grants may be used in combination with funds from other sources.

### **If You're a Homebuyer**

Prospective homebuyers must apply for grants through a participating financial institution. For more information on this program, contact your regional Housing Center

**Important:** As the Seattle Bank's fourth-quarter and year-end 2004 financial disclosures indicate, the bank expects to face significant financial challenges over the next few years. These challenges may result in a significant reduction in funding, or the possibility of no funding, for AHP and the Home\$tart Program starting in 2006.



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