First Time Homebuyers Program

Revised **March 2008**

Wayne County Executive, **Robert A. Ficano**

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Phone (313) 224-5011, Fax (313) 224-7450, http:// **www.waynecounty.com**

If You Can Save $1,000. You Can Own Your First Home Wayne County Will Assist You with Down Payment & Closing Costs

Wayne County continues to offer the popular First Time Homebuyer Program to provide down payment and closing cost assistance to help individuals interested in purchasing a home in any one of the County's 37 HOME Program participating communities listed in this notice. With the approval of the Wayne County Executive, Robert A. Ficano, and the Wayne County Commission, the Department of Economic Development has permitted the use of HOME Program and American Dream Downpayment Initiatives funds received from the U.S. Department of Housing and Urban Development (HUD) to operate this important program. This program is available to anyone who meets the federal income requirements shown here.

How Does it Work?

In most cases, financial institutions require a 3% down payment. A typical loan also includes several thousand dollars in closing costs such as origination fees, appraisals, inspections, and property taxes. For example, with a mortgage of $100,000, the required down payment would be $3,000. With the closing costs and prepaids, the total funds needed to purchase a home can be as much as $6,000. The program requires that each homebuyer provide $1,000 of their own money. HOME Program loans of $5,000 for existing houses or $10,000 for newly constructed homes are made available to fill the gap. These subordinate loans are fixed at 0% interest rate, and do not have to be repaid until the new homeowner ceases to own or occupy the property.

Income Requirements

The maximum income limits for the First Time Homebuyer Program is 80% of Wayne County's area median households income. Household income includes the sum of the income of all households members. As of 2008, the current maximum households incomes are:

1 person household	**$39,150**
2 person household	**$44,750**
3 person household	**$50.350**
4 person household	**$55,900**
5 person household	**$60,400**
6 person household	**$64,850**
7 person household	**$69,350**
8 person household	**$73,800**

Homebuyer Education Required

The purchase of a home is generally the largest investment most families will make in their lives, therefore Wayne County created the program to help make this a successful investment. The prospective homebuyers must complete a homebuyer educational program that is provided by the County's non-profit program partner, the National Faith Homebuyers Program. This program is designed to help homebuyers overcome credit barriers by providing financial literacy education so that they may ultimately create wealth through ownership. The education program also includes classes focusing on the home buying process, qualifying for a mortgage, home maintenance, and other related topics. To further encourage wealth building and debt reduction, the program does not allow the homebuyer to use more than 30% of their gross monthly income towards their mortgage payment. To ensure this, the counseling agency reviews the mortgage documents to help reduce predatory lending practices and to educate the buyer of the details of the transaction.

Economic Development Wayne County

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If You Want to Become a Homeowner Call (313) 255-9500

EQUAL HOUSING OPPORTUNITY

How About the House?

The down payment assistance can only be used on houses that pass a Housing Quality Standards inspection. In essence, the home must meet city building codes and must not have any cracked or peeling paint. After selecting a home, the potential homebuyer will need to hire a HUD certified inspector to verify that any existing homes meet these standards.

The use of housing inspectors is always a sensible part of any home purchase. This cost is included as part of the homebuyers financial contribution towards the purchase of the home.

HOMEtown Advantage Program

In 2006, the County created the HOMEtown Advantage-Program as a subset of the First Time Homebuyer Program. New housing units created through either new construction or substantial rehabilitation may be certified as a "Qualified Project" if they are located within one of the six communities targeted for reinvestment **including: Ecorse**, **Hamtramck**, **Highland Park**, **Inkster**, **Melvindale**, and **River Rouge**. Homebuyers purchasing into a Qualified Project are eligible for additional downpayment assistance upwards of $25,000 based on need. In order for a project to be certified, the property developer must complete an application for approval by the Department. The project must meet certain community development objectives and have evidence of community support. All requirements of the First Time Homebuyer Program also apply to the HOMEtown Advantage Program. For a current list of Qualified Projects, you may contact the Wayne County Housing Division at **(313) 224-5819**.

How Do I Get Started?

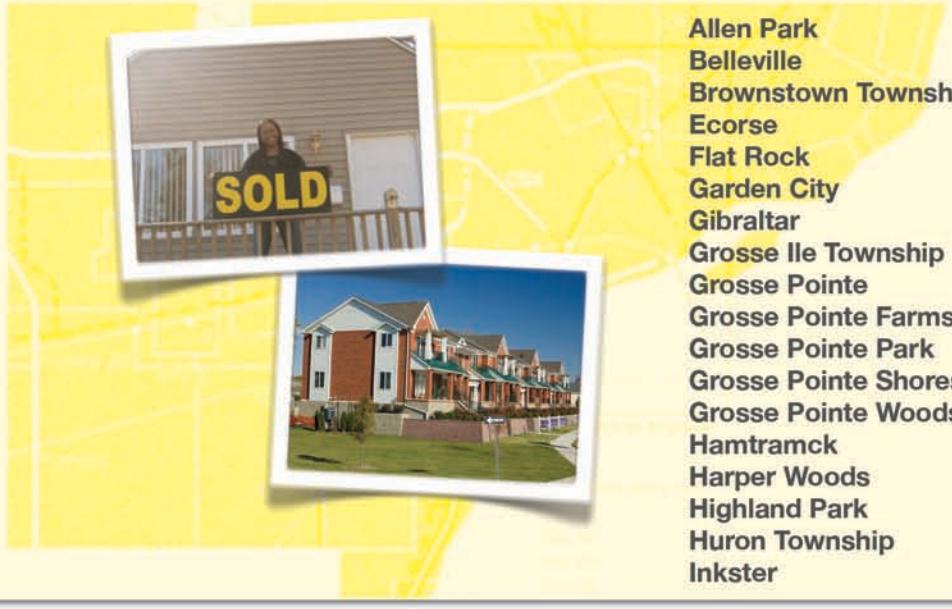
The First-Time Homebuyers Program is available in the 37 Wayne County communities listed below. The National Faith Homebuyers Program has been selected to administer the program for the County. This agency provides the required homebuyer's counseling, coordinates the application process and acts as a liaison between the buyer, mortgage company, real estate agent, inspection company, title company, and Wayne County. For an application package and class schedule, contact Keisha Sanders-Hadju at **(313) 255-9500.**

NATIONAL FAITH HOMEBUYERS PROGRAM

National Faith Homebuyers is a non-profit agency that was organized to promote home ownership in the Detroit Area. The organization was originally established as the Washtenaw Homebuyers Program by Bishop P.A. Brooks, of the New St. Paul Tabernacle Church of God in Christ, under the leadership of Dina Harris, Executive Director.

After operating a successful program in Ann Arbor for several years, National Faith established a Detroit-based office in 2000 to serve Wayne County communities. In 13 years of operation, they have served over 5,000 households and assisted more than 1,500 households to become homeowners.

HOME Program Participating Communities:



Allen Park
Belleville
Brownstown Township
Ecorse
Flat Rock
Garden City
Gibraltar
Grosse Ile Township
Grosse Pointe
Grosse Pointe Farms
Grosse Pointe Park
Grosse Pointe Shores
Grosse Pointe Woods
Hamtramck
Harper Woods
Highland Park
Huron Township
Inkster
Lincoln Park
Livonia
Melvindale
Northville
Northville Township
Plymouth
Plymouth Township
River Rouge
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Rockwood
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