



Are you ready to buy your **FIRST HOME?**

Utah Housing \$20K Program Assistance to first-time home buyers!

Utah Housing Corporation is offering up to \$20,000 in assistance to first-time home buyers. This program is limited and available to Utah residents who close on new construction or newly constructed. Funds may be reserved as early as July 11 and closings may occur on or after July 25, 2023.

- Program Assistance must be provided by participating lenders to qualify. Momentum Home Loans is proud to be an approved lender.
- Provides funding at 0% interest and no monthly payments.
- Available on purchases up to \$450,000.
- Borrower must be a Utah resident for at least 12 months before closing.
- Funding available on eligible property types, including detached single-family homes, condominiums, and townhomes.

For more information visit utahhousingcorp.org/lenders/grants/sb240.

Call me today to get pre-approved!



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This is not an offer of credit or commitment to lend. Loans are subject to buyer/property qualifications. Rates/fees are subject to change without notice. This does not constitute an advertisement of interest rates currently available or offered. Interest rates are for illustrative purposes only.

FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM

Administered by Utah Housing Corporation

Created by the Utah Legislature in 2023, the First-time Homebuyer Assistance Program provides financial aid toward the purchase of a newly constructed home



FTHB Definition

A first-time homebuyer (FTHB) is an individual who

- (and whose spouse) has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property; or
- is a displaced homemaker, who except for owning a home with his or her spouse or residing in a home owned by the spouse, meets the requirement of a; or
- is a single parent, who except for owning a home with his or her spouse or residing in a home while married, meets the requirements of a.



Qualifying Residential Unit Definition

A qualifying residential unit is defined as:

- a residential unit that is: located in Utah; new construction or newly constructed but not yet inhabited; financed by a qualifying mortgage loan; owner-occupied upon purchase; and purchased for an amount that **does not exceed \$450,000**.
- a single-family home, condominium, town home, manufactured, or modular home on a permanent foundation.



Qualifying Mortgage Loan Definition

A qualifying mortgage loan means a loan that is purchased and serviced by Utah Housing Corporation (Utah Housing) and secured by a recorded Deed of Trust in the county where the home is located. This can be any eligible first mortgage loan available through Utah Housing and its [Participating Lenders](#) (Lender).



Terms

- The Assistance Program (Program) loan is a 0% interest, no-monthly-payment loan secured by a recorded Deed of Trust and evidenced by a Subordinate Note.
- A FTHB must credit-qualify for a Utah Housing first mortgage with a Lender before the Lender may submit a Program reservation request.
- Income limits vary by Utah Housing loan program.
- A recipient must have been a resident of Utah for at least twelve (12) months prior to closing.
- A Program reservation request may be submitted whether or not an executed real estate purchase contract (REPC) is submitted with the request. The initial reservation period is 90 days, with the possibility of additional extensions.
- A Program loan cannot be combined with a Law Enforcement and Correctional Officer Grant or a Veterans Grant.
- A Program loan may be combined with a Utah Housing down payment assistance second mortgage. If not utilized, a rate reduction may be applied at the time of interest rate lock request (based on then-prevailing market conditions).
- If the recipient completes a future sale or refinance, the recipient shall repay an amount equal to the lesser of:
 - the amount of assistance the recipient received, or
 - 50% of the home equity amount:
 - In the case of a sale, "home equity" is the bona fide sale price minus the unpaid principal balance of the qualifying mortgage loan(s).
 - In the case of a refinance, "home equity" is the current appraised value of the qualifying residential unit (as determined by a currently-licensed Utah certified residential appraiser) minus the unpaid principal balance of the qualifying mortgage loan(s).



Up to \$20,000 can be used for down payment, closing costs, and/or a permanent interest rate buydown

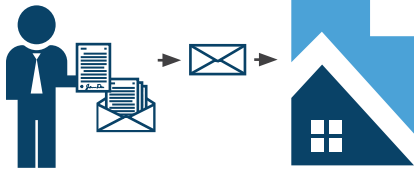


First-time Homebuyer Assistance Program

Reservation Request & Timeline

First-time Homebuyer (FTHB)

FTHB contacts a Utah Housing Participating Lender (Lender) to be credit-qualified for a mortgage and complete Program reservation paperwork.



Lender

Credit-qualifies FTHB for mortgage, completes Program reservation request and submits to Utah Housing with required documents.

Utah Housing

Reviews reservation request and, if approved, issues 90-day Program reservation. A specific property does not have to be identified before reservation is requested or approved.



End of 90-day Reservation

Lender certifies FTHB continues to be credit-qualified and meet Program guidelines. FTHB has identified a specific property, and an executed REPC is provided to Utah Housing. First extension is approved for 120 days.

OR

Reservation automatically canceled if requirements above are not met. FTHB may not reapply for Program funds unless executed REPC is provided with new reservation request.

End of First 120-day Extension

Lender provides satisfactory evidence of construction progress (i.e., photos, inspections, etc.) and certifies FTHB continues to be credit-qualified and meets Program guidelines. Second extension is approved for 120 days.

OR

Reservation canceled if requirements above are not met.



End of Second 120-day Extension

Lender provides satisfactory evidence of construction progress (i.e., construction schedule, anticipated completion and certificate of occupancy date, etc). Lender certifies FTHB continues to be credit-qualified and meet Program guidelines, and provides expected closing date. Third and **final extension** is approved for 120 days.

OR

Reservation canceled if requirements above are not met.

End of Final or Applicable Reservation Period

Lender & Title Company coordinate closing and send wire request for Program funds to Utah Housing 3 days prior to closing.



Contact Dillon To Learn More



Program administered by:



UTAH'S HOUSING FINANCE AGENCY



First-time Homebuyer Assistance Program

Utah's Housing Finance Agency

DEFINITIONS

- "Qualifying mortgage loan" - a mortgage loan that is purchased and serviced by Utah Housing Corporation (Utah Housing) and secured by a recorded deed of trust in the county where the home is located.
- "Qualifying residential unit" - a residential unit that is: located in Utah; new construction or newly constructed but not yet inhabited; financed by a qualifying mortgage loan; owner-occupied upon purchase; and purchased for an amount that does not exceed \$450,000.
- "Recipient" - a first-time homebuyer who is an owner-occupant borrower and/or co-borrower(s) who receive program funds.
- "First-time homebuyer" - 42 U.S. Code § 12852 defines a first-time homebuyer as an individual who-
 - a. (and whose spouse) has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property.
 - b. is a displaced homemaker, who except for owning a home with his or her spouse or residing in a home owned by the spouse, meets the requirements of a).
 - c. is a single parent who, except for owning a home with his or her spouse or residing in a home while married, meets the requirements of a).
- "Program" - the First-time Homebuyer Assistance Program created in Section 63H-8-502.
- "Program funds" - money appropriated for the Program.
 - "Assistance" - also used in this FAQ in reference to Program funds/loans.

FREQUENTLY ASKED QUESTIONS

WHEN WILL THE PROGRAM FUNDS BE AVAILABLE?

Funding of Program loans will be available for loan closings happening on or after July 25, 2023 (funding request must be received 3 business days prior to closing, i.e. July 19). Reservation requests may be submitted by a Utah Housing Participating Lender (Lender) beginning Tuesday, July 11, 2023.

WHEN CAN I APPLY FOR ASSISTANCE?

Once the Recipient has credit-qualified with a Lender for a Utah Housing mortgage loan, the lender may submit a Program reservation request.

WHAT ARE THE TERMS OF THE PROGRAM LOAN?

The Program loan is a 0% interest, no monthly payment loan secured by a recorded Deed of Trust and evidenced by a Subordinate Note.

CAN I RESERVE PROGRAM FUNDS BEFORE CONSTRUCTION STARTS, OR BEFORE I HAVE SIGNED A CONTRACT?

Yes. All Program reservations will include an expiration date as well as requirements for subsequent extensions.

IF I ENTERED INTO A CONSTRUCTION CONTRACT PRIOR TO THE CREATION OF THE PROGRAM, AM I STILL ELIGIBLE FOR ASSISTANCE?

Yes, if the Recipient is issued a Program reservation prior to the closing of the qualifying mortgage loan. Program funds will only be disbursed to a title company licensed to do business in Utah.

WHO WILL ADMINISTER THE PROGRAM AND SERVICE PROGRAM LOANS?

Utah Housing will administer the Program and will service both Program and qualifying mortgage loans.

CAN THE PROGRAM LOAN BE COMBINED WITH A UTAH HOUSING DOWN PAYMENT ASSISTANCE 2ND MORTGAGE?

Yes. In this situation, the Deed of Trust for the Program loan will be recorded in a third lien position.

IF I RECEIVE ASSISTANCE AND CHOOSE TO NOT USE A UTAH HOUSING DOWN PAYMENT ASSISTANCE 2ND MORTGAGE, WILL I RECEIVE A RATE REDUCTION ON MY QUALIFYING MORTGAGE LOAN?

Yes. A rate reduction based on then-prevailing market conditions will be applied at the time of interest rate lock.

CAN A PROGRAM LOAN BE COMBINED WITH THE VETERANS OR LAW ENFORCEMENT AND CORRECTIONAL OFFICER GRANTS ADMINISTERED BY UTAH HOUSING?

No.

MUST A BUYER USE A CERTAIN LENDER OR LOAN PROGRAM TO RECEIVE ASSISTANCE?

Yes. A [Utah Housing Participating Lender](#) must be used to obtain a qualifying mortgage loan. Any first mortgage loan program offered by Utah Housing may be used in conjunction with a Program loan.

HOW MUCH MAY I RECEIVE IN ASSISTANCE AND FOR WHAT PURPOSE(S) MAY IT BE USED?

A Recipient may receive up to \$20,000 in Assistance and the funds may be used for down payment, closing costs, and/or a permanent interest rate buydown for the qualifying mortgage loan.

HOW MANY HOMEBUYERS WILL THE PROGRAM ASSIST?

Approximately 2,400 homebuyers. Future funds may be available based on repayment of Program funds received from the sale of qualifying residential units or the refinance of qualifying mortgage loans.

IS THERE A MAXIMUM PURCHASE PRICE FOR A QUALIFYING RESIDENTIAL UNIT?

Yes. The maximum purchase price is \$450,000.

WHY IS THE PROGRAM ONLY FOR NEWLY-BUILT HOMES?

The Program's objectives are to assist first-time homebuyers and incentivize builders to produce affordable housing units throughout the state.

WILL THERE BE INCOME LIMITS?

Yes. Income limits are determined by the Utah Housing loan program under which the qualifying mortgage loan is reserved.

MUST I BE A UTAH RESIDENT IN ORDER TO QUALIFY FOR THE PROGRAM?

Yes. Any Recipient must have been a resident of Utah for at least twelve (12) months prior to closing.

WHAT ARE ELIGIBLE PROPERTY TYPES

Eligible property types include detached single-family homes, condominiums, townhomes, or similar residential dwellings, including manufactured or modular homes attached to a permanent foundation.

MUST THE ASSISTANCE BE REPAID WHEN THE QUALIFYING RESIDENTIAL UNIT IS SOLD OR THE QUALIFYING MORTGAGE LOAN IS REFINANCED?

If the Recipient completes a sale or refinance, the Recipient shall repay an amount equal to the lesser of:

- the amount of Assistance the Recipient received; or
- 50% of the home equity amount:
 - i. In the case of a sale, "home equity" is the bona fide sale price minus the unpaid principal balance of the qualifying mortgage loan(s)
 - ii. In the case of a refinance, "home equity" is the current appraised value of the qualifying residential unit (as determined by a currently-licensed Utah certified residential appraiser) minus the unpaid principal balance of the qualifying mortgage loan(s)