DUTCHESS COUNTY/CITY OF POUGHKEEPSIE
FIRST TIME HOMEBUYER PROGRAM GUIDELINES

The Program is conducted through the NeighborWorks HomeOwnership Center of Dutchess County. Funded by the Dutchess County/City of Poughkeepsie HOME Program through the U.S. Department of Housing and Urban Development (HUD).

Section I - General Requirements

1. Applicant must meet the HUD definition of a first time homebuyer. Generally, an applicant cannot have owned a home in the past 3 years. The full HUD Definition is available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ref/sfhp3-02 .

2. Applicant must be a lawful, permanent resident of the United States of America and either a resident of Dutchess County or be employed in or have an accepted job offer in Dutchess County.

3. Applicant must be credit worthy and have the ability to qualify for a 30-year fixed-rate mortgage with a participating lender. The maximum ratio of monthly housing expenses to gross monthly income is 33%. The maximum ratio of total monthly debt (housing plus other debt such as car, student loan, credit card...) to gross monthly income is 38%. The Program may consider exceptions to these ratios upon the recommendation of a participating lender.

4. Applicant must be income eligible according to the following HUD guidelines:

Maximum gross annual household income*-

Family Size	Income Limits	Family Size	Income Limits
1	$44,950	5	$69,350
2	$51,400	6	$74,500
3	$57,800	7	$79,650
4	$64,200	8	$84,750

Minimum gross annual household income - $20,000.

Annual income is the gross income anticipated to be received by all adults (18 years of age or older) in a household during the 12 months following application submission. Anticipated income is determined by annualizing current income for the next 12 months. Income includes but is not limited to: wages/overtime, commissions/bonuses, net income from business/real or personal property, dividends/interest, social security/ retirement funds/pension, annuities, income from assets (imputed based on HUD guidelines if asset is not generating income), welfare, unemployment, worker's compensation, and alimony/child support.

Applicant must submit the following documents with the preliminary application: most recent 3 months pay stubs, 2011 annual benefit statements (pensions and social security), and other income documentation as applicable. Applicant must also submit 2009 and 2010 **Federal** Income Tax

Returns with all schedules and W-2 forms.

5. Applicant must complete an approved first time homebuyer course. Purchasers of a two-family home must also take a landlord training course. In Dutchess County, these courses are offered by the NeighborWorks HomeOwnership Center. All courses must have been taken within the past 3 years. Other courses may be considered by the HomeOwnership Center upon submission of a certificate of completion and an outline of the course components.

6. Applicant must be able to pay at least 3% of the purchase price from personal savings as a down payment. Applicants must have at least $2,000 at the time the preliminary application is submitted. A copy of a bank statement must be submitted to verify savings. Applicants must be able to pay non-eligible closing costs (fuel adjustment, homeowner's insurance and excessive attorney fees).

7. The maximum assistance per household/purchaser is $10,000 for the eligible expenses. However, an income eligible purchaser must pay 25% or more of their household's gross monthly income towards the proposed mortgage payment (including principal, interest, taxes and insurance) to be eligible for maximum assistance. The amount of assistance shall be reduced from the maximum if the proposed mortgage payment is less than 25% of a household's gross monthly income.

Section II - Eligible Properties

1. Any existing single or two-family home, townhouse, or condominium located in any Dutchess County municipality is an eligible property.

2. The appraised value* of the property may not exceed: 1-family - $247,285
2-family - $316,578

3. The property must meet HUD Housing Quality Standards (HQS). These guidelines are available at: http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf. The program will conduct a visual inspection for deteriorated paint. Any deteriorated paint must be stabilized prior to the homebuyer moving in and must be done in accordance with safe work practices. The property must pass clearance testing upon completion of the work. Information on safe work practices and clearance is available from Dutchess County Planning and Development or http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf.

Section III - Program Benefits

1. Participating lenders may offer financing up to 97% of the purchase price or appraisal value, whichever is less, for 30 years at a fixed rate.

2. The Program offers a deferred payment loan of up to $10,000 to assist with down payment and closing costs. Funds can be used to pay:

- Down payment

- All program eligible closing costs. Please note that homeowner's insurance, fuel adjustments, excessive attorney fees and excessive lender processing fees are not eligible closing costs. The program will pay lender required tax escrows or adjustments.

The term of the deferred payment loan is 10 years. The full amount of the loan will be due if the property is sold or ceases to be utilized as an owner-occupied property by the first time homebuyer during the first full five years measured from the date of acquisition. During the sixth through tenth years, the amount due decreases by 20% for each full year the borrower remains in the property. At closing a buyer acknowledgement and promissory note will be signed and a restriction will be placed in the deed to ensure compliance. Residency will be verified annually.

Section IV – Application and Closing Process

STEP 1 – Application

1. Applications are to be submitted to the Neighborworks Homeownership Center of Dutchess County. Applications will be accepted first-come, first-serve. A waiting list will be kept once all funds are allocated. Upon approval of the preliminary application, applicant will receive an eligibility certificate good for approximately 4 months.

STEP 2 – Processing

1. Upon execution of a purchase contract on a property, submit a standard mortgage application, with the Program eligibility certificate, to a participating lender.

2. Contact the Homeownership Center to notify it of the execution of a purchase contract and submission of mortgage application so it can arrange the inspection and work with the participating lender to prepare for the closing.

Participating Lenders

Name	Phone	Contact Person
Citizens Bank	(914) 213-0559	Scott Wallingford
HSBC	(845) 473-9236	Kathleen Wirth
Hudson Valley Federal Credit Union	(845) 463-3011	Nancy Lilly-Hamilton
M&T Bank	(914) 456-2975	Melissa Landolfi
Putnam County Savings Bank	(845) 297-7101	Mark Pawliczko
Rhinebeck Savings Bank	(845) 790-1546	Susan Utter
Salisbury Bank & Trust	(800) 222-9801	Sarah O'Connell
Ulster Savings Bank	(845) 297-5985	Michael Kiele

Contact Information

Mary Linge, Director of HomeOwnership & Education
NeighborWorks HomeOwnership Center, 291 Mill Street, Poughkeepsie, NY 12601
(845) 454-9288, mlinge@hudsonriverhousing.org

*Updated annually by the HUD