

# City of Raleigh

## Housing & Neighborhoods Department

### Community Development Division

### Homebuyer Program

#### Goal

To assist first time homebuyers with purchasing a home within the City limits of Raleigh.

#### Source of Funds

**First Mortgage:** Participating private sector lending institutions (list available upon request)

**Second Mortgage:** Federal Home Investment Partnership (HOME) Program funds.

#### Eligible Properties

New or existing single family homes, town homes, and condominiums.

#### Maximum Loan

**First Mortgage:** Maximum for which applicant qualifies through participating private sector lending institution.

**Second Mortgage:** Up to \$20,000, based on need.

**Note:** Total loans cannot exceed 100% of appraised value.

#### Term/Rate

**First Mortgage:** Monthly payment based upon 30-year term at market rate.

**Second Mortgage:** Loan discounts (Principal balance is reduced) on a set schedule and forgiven after 20 years of owner-occupancy. Conditions apply.

#### Maximum Sales Price

**New Construction:** \$224,000

**Existing Housing:** \$211,000

#### Maximum Qualifying Income

Number Household Members	1	2	3	4	5	6	7	8
Allowable Income Amount	\$42,950	\$49,050	\$55,200	\$61,300	\$66,250	\$71,150	\$76,050	\$80,950

#### Eligibility

- One year of satisfactory credit prior to application is required.
- Must be unable to qualify for the full amount to purchase a home due to lack of down payment/ closing cost or excessive debt to income ratio, which cannot exceed 43%.
- Must not have had an ownership interest in a principal residence within the past three years.
- Must occupy property financed as primary residence.
- Must complete a homebuyer counseling course. The City of Raleigh contracts with DHIC, Inc. to provide homeownership and credit counseling. For more information, contact DHIC at (919) 832-4345.
- Other conditions and restrictions apply.

#### Administration

An application can be obtained by contacting a participating lender.

