

## FREQUENTLY ASKED QUESTIONS

- **What are the basic requirements?**

To qualify, your annual household income has to be classified as very low, low or moderate. Look at the chart below. First, determine how many people are in your household. These are all persons who will occupy the new home with you. Then determine what your household's gross (before taxes) income is per year.

Household Size	Very Low Income	Low Income	Moderate Income
1	\$18,250.00	\$29,250.00	\$43,800.00
2	\$20,900.00	\$33,400.00	\$50,160.00
3	\$23,500.00	\$37,600.00	\$56,400.00
4	\$26,100.00	\$41,750.00	\$62,640.00
5	\$28,200.00	\$45,100.00	\$67,680.00
6	\$30,300.00	\$48,450.00	\$72,720.00

For example, if you are a family of 4 and you earn less than \$41,750 per year, you are **low income**. But, if you are a family of 4 earning less than \$26,100 per year, you are **very low income**. If you are a family of 4 and you earn more than \$41,750 but not more than \$62,640 per year, you are **moderate income**. If you are a family of 4 and you earn more than \$62,640 per year, you are not eligible.

You will be required to **disclose all income of all adult household members** from employment and other sources. You must **also disclose all income for the benefit of minor children** (such as child support, social security, etc.). You do not have to disclose income earned by minor children, such as that from an after school or summer job.

There is no minimum income for the program, but all clients must be able to qualify for first mortgage financing and meet other requirements to receive assistance.

If your household income is within the amounts shown in the table above, you may be qualified to buy an NSP home.

To buy a home, you will need to qualify for an affordable first mortgage loan from a bank, financial institution, or other mortgage lender. You may also be eligible for NSP financial assistance.

Conventional mortgages are generally acceptable and many new homebuyers choose an FHA mortgage that is insured through the federal government's Department of Housing and Urban Development (HUD). FHA mortgages are affordable to low and moderate income homebuyers and generally allow you to finance up to 96.5% of the home purchase price and make a down payment as small as 3.5%.

Homebuyers generally can expect to pay 2-4% of the home's purchase price as closing costs. **You may also be eligible to receive NSP financial assistance.**

Contact Keystone Challenge Fund for more information first at 863-682-1025. Check with your local bank or financial institution or a mortgage broker to get pre-qualified. If you are unsure who to contact, ask friends or family for a referral. If you are interested in finding an FHA lender, contact your bank or financial institution or check the yellow pages in your phone book. You can also visit the US Dept. of HUD website at <http://www.hud.gov/initiatives/homeownership/index.cfm> to obtain more information

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and a list of participating lenders in your area. Tell your lender you want to participate in Keystone's down payment assistance programs. If your lender is not already familiar with our programs, ask them to visit this web site.

When talking to a lender, make sure your first mortgage loan will meet the following basic requirements:

The first mortgage loan must,

- Be a fixed interest rate loan at not more than 1% above the current 60-day FNMA par pricing.
- Be fully amortizing for a term not to exceed forty (40) years.
- Not contain a pre-payment penalty.
- Not include a yield - spread premium.
- Not require unreasonable or unnecessary closing costs paid by the borrower.

Other qualifying requirements will apply, and your lender will assist you.

- **Qualifying for a Mortgage Loan**

Regardless of which first mortgage lender you choose, you will probably need to meet some general criteria established by the lender to obtain a first mortgage loan. This criteria will vary somewhat from lender to lender but basically, you will need to demonstrate that you have:

- A current steady and stable source of income, and a history of stable income.
- A reasonably good credit history.
- The ability to afford the mortgage payment.
- A reasonable level of other debt.
- Some savings of your own.

- **How much NSP assistance can I get?**

Assistance amounts are based on your household income level, and the location of the property being purchased.

All applicants are required to attend a Homebuyer Education Class.

- **What if I don't think I am qualified for a mortgage loan?**

Plan to attend a Homebuyer Education Class even if you do not think that you are qualified to obtain a first mortgage loan due to credit problems or other situations!

Many of the clients that have been assisted by Keystone have experienced difficulties, such as problems with credit. We have worked with some clients for a period of 2-3 years after they have attended a class before they purchased a home.

- **Does it matter if I am very low, low or moderate income?**

Yes. The Polk County NSP provides ways for you to participate as long as your income is low or moderate income. The amount of assistance available to you may vary depending on income and neighborhood.

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- **Are Keystone's programs just for first-time homebuyers?**

No, but you cannot currently own a home.

- **What if I buy a home, and then my income increases?**

You only have to meet the program income eligibility guidelines for low and moderate income households at the time you purchase your home. This is one of the things we really like about our programs! If your household members change, or you have an increase in your income during the time you live in the home, it is okay!

- **How can I buy a home if I make too much money for your programs?**

If you make too much money for our assistance programs, you still may be able to buy a home with an affordable mortgage. Many local lending institutions and mortgage companies have very affordable mortgage programs, including [FHA financing](#). You may want to contact your own bank first to see what they have available, and can contact other lenders and mortgage companies by looking in your yellow pages or on-line.

- **May I take home buyer education online?**

No. This program requires attendance at a home buyer seminar or face to face counseling.

- **Can I buy a home anywhere in Polk County?**

No. NSP properties are currently available only in ten designated areas of greatest need.

- **If I am a first time home buyer and I use the NSP program do I still qualify for the federal first time home buyer \$8,000 tax credit?**

Yes, If you purchase a home prior to December 1, 2009. Consult your income tax preparer or the IRS. [www.irs.gov](http://www.irs.gov)

I would like to use the \$8000 federal tax credit as part of my down payment. Can I include this amount in my mortgage loan?

No. There is no mechanism in place to monetize the federal first time home buyer tax credit for use as a down payment.