



## How to Apply

Please refer to the Program Policy and Procedures for full details of program.

- Print Applications may be obtained from and submitted directly to the Office of Housing & Community Development.
- Pre-approval to meet HUD income eligibility threshold - please refer to policy manual for all criteria
- Full application: review of mortgage approvals, sale agreement, inspection report, and other supportive documentation
- Applicant must obtain HUD approved Homebuyer counseling Certificate

**Upon receipt of the application, applicants must contact the Program Manager to determine funding availability and review program requirements.**

Once the applicant has completed the application, received all mortgage approvals, sale agreements, and other supportive documentation, the applicant will be required to contact the Program Manager for an in office appointment to submit all documents.



## Program Overview

Funded by the US Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME), the Gloucester County Homebuyer Assistance program provides no-interest deferred loans up to \$25,000 for down-payment and closing cost assistance. The goals of the Program are to increase homeownership opportunities for low-moderate income families and as a means of stabilizing property values and overall quality of life in targeted neighborhoods throughout the County.

The Gloucester County Homeownership Program will provide assistance to persons who have traditionally been unable to obtain private mortgage loans. The private lender will provide as much of a mortgage loan as the applicant can afford and the County will subsidize the closing costs with available grant funds.

### Gloucester County Board of Commissioners

Frank J. DiMarco, Director  
Jim Jefferson, Deputy Director  
Joann Gattinelli, Liaison

**Funds for this project are provided by:**  
US Department of Housing and Urban Development  
Home Investment Partnership Program

Gloucester County is an Equal Opportunity/ADA compliant government agency



## First Time Homebuyer Down-payment and Closing Cost Assistance Program

Department of Economic Development  
Office of Housing & Community Development

 (856) 307-6664

 (856) 384-6938

 [www.gloucestercountynj.gov](http://www.gloucestercountynj.gov)

## Eligible Properties

Eligible property types include any property that will serve as the purchaser's principal residence. **ALL PROSPECTIVE PROPERTIES MUST BE LOCATED IN A MUNICIPALITY OF GLOUCESTER COUNTY.** Eligible housing types include: Single Family (one unit) homes; Manufactured Housing (must be on a permanent foundation that and connected to permanent utility hook-ups, located on land that is owned by the unit owner, or on land for which the unit owner has a lease for a period at least equal to the applicable period of affordability) and Condominium units. Investment properties are not eligible per County policy.

### Maximum Property Value (see website for details)

- The value of any homebuyer property may not exceed 95 percent of the median purchase price for that type of single family housing for the area, as published by HUD;
- HUD publishes two sets of limits that represent 95 percent of the area median purchase price – one for housing that is newly constructed and one for existing single family housing units:

### Property Standards

- Property must meet the HUD HOME property standards for new construction or rehabilitation.
- Requirements of the Lead Safe Housing Rule (24 CFR Part 35) also apply.

Properties must be free of deficiencies identified in HUD Uniform Physical Condition Standards (UPCS) and must meet all local codes, standards, zoning or other ordinances.

## Program Features

- Below market interest rates
  - No more than 1.5 % loan origination fees
  - 30-year fixed mortgage rates
  - No Private Mortgage Insurance (PMI) Homes priced up to \$235,000 for new construction and existing properties and may be purchased depending on the buyer's current income and debt
  - Deferred gap financing and closing cost assistance through 0% interest deferred loans held as second mortgages up to \$25,000
  - Required homebuyer/homeowner education and training to ensure successful homeownership
  - Partially forgivable no interest loans made for "gap" financing purposes, principal reduction, payment of closing costs
- Subsidies are provided in the form of a second mortgage

## Loan Security & Repayment

The First Time Home Buyer program provides an interest free deferred loan up to \$25,000 **secured by a Mortgage and Deed Restriction payable to the County of Gloucester.**

The initial Affordability period can range from 5 - 10 years depending on the amount of subsidy. 100% of the loan must be repaid if conditions are triggered in that time. There is a graduated forgiveness of 20% per year for each year completed beyond the initial affordability period until 20% of the value of the lien remains. The County will require 1/5 repayment should the owner transfer, sell, refinance obtain a reverse mortgage or utilize any vehicle to obtain cash against the equity of the property. The property must be maintained as the owner's primary residence and annual certification is required during the affordability period.

## Loan Approval

Settlement dates must be made forty-five (45) days in advance of full application submission to complete the funding process in a timely matter.

All funding requests must be approved through a resolution process by the Gloucester County Board of Commissioners.

- Be a First-time homebuyer includes displaced homemakers, single parents and families who have not owned a home within 3 years of the date of application for housing assistance
- Total household income must not exceed maximum federal income limits
- Qualify for a first mortgage from an approved conventional lender; Lenders are to provide thirty (30) year fixed rate mortgages. Lenders are encouraged to provide below market rate loans with zero(0) points. The County First Time Homebuyer Program will not approve loans that are not fixed, or exceed thirty (30) years. Mortgages may not exceed a Loan to Value Ratio (LTV) of 97%.
- Commit a minimum of 3% of the purchase price out of their own funds toward the down payment.
- Have no more than 20% of the purchase price in liquid assets. Any assets above the 20% limit must be applied toward the purchase price of the home.
- Must meet credit standard
- Housing expenses (PITI) cannot exceed 34% of gross monthly income unless approved by primary lender.
- Combination of Acquisition/Rehab loans are not eligible