

FAQ's to Apply for a Home Ownership Grant

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1. WHAT ARE THE REQUIREMENTS?

You must be a first-time homebuyer. The term “first-time homebuyer” means an individual and his or her spouse who have not owned a home during the 3-year period prior to purchase of a home with assistance.

(A) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse;

(B) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and

(C) an individual shall not be excluded from consideration as a first-time homebuyer on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is-not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

- You must fall within the proper income guidelines for the county in which you would like to purchase a property. [Maximum Gross Household Income Requirements](#)
- Your credit history and income must qualify you for a fixed rate conventional mortgage with appropriate debt to income ratios.
- You must purchase your home in Bronx County.
- The home you purchase must be within the purchase price limit of the particular grant program.
- You must live in the home for the full term of the specific grant(s). (Otherwise, you will be liable for recapture provisions that apply and you will have to pay back all or a part of the grant proceeds.)
- The property, if built before 1978, must have a Visual Assessment Test for Lead, done by a certified professional.
- You are *required* to contribute at least 3% of the “anticipated” purchase price with your own funds. The contribution may include checking, savings, investments, 401K plan. Proof of source of contribution will be required.

- The property must be appraised and have a value equal to or greater than the Purchase Price.
- You are required to attend at least one Bronx NHS [Homebuyer Orientation](#) prior to submitting an application. [See upcoming orientation dates.](#)

Participants are also required to sign a “Certificate of Accuracy” on initial application, as well as at the time the grant purchaser certificate is issued. This information will include, but will not be limited to, family size, total household income and assets. Third party verification of this information, such as tax returns and bank statements, will be required

2. WHAT IS THE PROCESS?

- [Applications](#) are processed on a first-come first-served basis.
- Incomplete applications will be put on hold and reviewed after the missing documents are received and file is completed.
- A fee of \$200 per application is required to defray the cost of education, counseling cost of credit report and other materials for single or couple. An additional fee will be charge for any additional applicant.
- As a part of the review process, Bronx NHS will work with lenders to determine the amount of mortgage prequalification you qualify for based on current income, existing debts, savings for down payment and credit history.
- If you are not mortgage ready, we will guide you through an action plan to assist you in becoming mortgage ready.
- Once a grant certificate is issued, you will have 60 days to locate a property and sign a contract of sale.
- Once grant certificate has expired, you may receive two additional 15-day extensions at Bronx NHS’ discretion. When grant has completely expired, you will have an opportunity to remain on the waitlist or withdraw from the program.

3. HOW MUCH GRANT SUBSIDY IS AVAILABLE?

The maximum grant subsidy may vary. The grant amount you receive is based on your need as determined by Bronx NHS. In certain circumstances you may receive less or more than the stated amount on the grant certificate. The final grant amount is based on purchase price of the identified property, buyer’s down payment, mortgage amount, any additional subsidies and amount of repairs to the property (if applicable).

4. WHAT IS THE FIRST HOME CLUB?

Bronx NHS is offering First Home Club savings account program which offers up to \$7,500 in down payment assistance to first-time homebuyers. Participants save towards their down payment and/or closing costs and receive matching funds from the Federal Home Loan Bank. For every dollar participants save, the participating bank will match four dollars of grant funds, up to a maximum of \$7,500. To fulfill complete program requirements, participants are required to participate in the program for a minimum of 10 months and are also required to attend financial literacy workshops specifically designed toward the homebuying process. First Home Club Program is designed to work in conjunction with the

grant programs administered by Bronx NHS. Participants interested in this program, will have to submit Intake Application.

- The Federal Home Loan Bank will match a homebuyer's funds four-to-one up to a maximum of \$7,500.
- You are required to have a bank account with a participating bank.
- You are required to make timely deposits.
- You must enroll into this program for a minimum of 10 months or a maximum of 24 months.
- You must save at least \$1,875 over the specified time frame to receive the maximum grant of \$7,500
- This program can be used in conjunction with Bronx NHS' grant program. However, this application will be placed on "hold" until you have completed the First Home Club.

5. WHERE CAN YOU BUY A HOME USING Bronx NHS' GRANTS?

Bronx County

6. WHAT TYPE(S) OF PROPERTIES MAY I PURCHASE WITH THE GRANTS?

The Property to be purchased by program participants may either be designated properties or properties located by the participant. Designated properties are those being offered for sale through CRA Realty or realtors in our realtors list.

Local Home Purchase Program: 1-2 Family Homes, Condos, Co-op

7. CAN I QUALIFY FOR MORE THAN ONE GRANT?

A program recipient may qualify for more than one grant, but this is dependent upon the availability of funding and the applicant meeting the eligibility requirements for both grant programs. In certain circumstances, you may receive less or more than the stated amount issued with the original grant purchaser certificate. The final grant amount is determined based on purchase price of the identified property, buyer's down payment, mortgage amount, any additional subsidies and amount of repairs to the property (if applicable). Size of grant is based on need.

8. HOW DO I KNOW IF I'M READY TO BUY A HOME?

If you answer, "Yes" to the following questions, you might be ready to buy a home.

- Do I have a steady source of income?
- Is the Income reliable?
- Have I been employed on a regular basis for at least 2-3 years?

- Do I have a good credit history?
- Do I have the ability to make the mortgage payment and additional costs for taxes, insurance, maintenance, and repairs?
- Do I have money saved for a down payment and closing costs?

If you are not ready now, start to budget in preparation for becoming a homeowner. It might be a good idea to start with the First Home Club before applying for the grant, if you feel that you are not ready for homeownership at this time.

9. HOW DO I BEGIN THE PROCESS OF BUYING A HOME?

Start by thinking about your personal situation. Ask yourself the following questions:

- *Am I ready to buy a home?*
- *How far from my job am I willing to drive?*
- *How many bedrooms do I need?*
- *In what areas do I want to live?*
- *If you have children, what school is in the area?*
- *What are the taxes associated with a particular area of interest?*
- *If interested in buying a condo, what are the monthly association fees?*
- *If interested in buying a Co-op, what are the monthly maintenance fees?*

You can drive through the neighborhoods, talk to friends, and research the internet. You can also search the real estate section of the newspaper to see how much the houses are selling for in the area you wish to live.

10. WHAT ARE THE ADVANTAGES OF OWNING A HOME VS. RENTING?

- A home is usually a sound investment. When you make your mortgage payment you are building equity in your home and the longer you stay in the home, the more equity you will have.
- A home can increase in value as time passes.
- Homeownership offers certain tax breaks. The mortgage interest and real estate taxes are tax deductible.
- A first home can often lead to a better second home.
- You gain the satisfaction and security of homeownership.

Along with the advantages there are disadvantages...

- Home ownership can put a strain on the family's finances. You are now making your mortgage payment, homeowner's insurance, utilities, repairs and maintenance.
- You have less mobility than if you are renting because you have to sell your home in order to move.
- There is a possibility of foreclosure if you fail to keep up your mortgage payments.

11. HOW DO I MAKE AN OFFER ON A HOME I WISH TO PURCHASE?

Your real estate agent will assist you in making an offer. Keep in mind the amount that lender(s) have pre-approved you for based on income, debt, savings available for down payment and any grant subsidies.

12. DO I REALLY NEED TO GET THE HOME INSPECTED?

YES, this is required. The inspector checks the safety of your potential home. He/she will focus on the foundation, structure, electrical and plumbing systems, the age of your boiler, roof, insulation, ventilation, the possible presence of pests, and mechanical systems in the home. It also provides you with a future assessment as to what monies you might need to repair or replace certain items.

13. WHAT DO I NEED TO KNOW WHEN SHOPPING FOR A MORTGAGE?

Plan ahead. You will speed up the loan processing if you bring all the required documents on your initial interview and/or application session. All documentation will also be needed for a Co-applicant. You will need to bring with you: one month of consecutive pay stubs, bank statements for three months, W-2 forms, and your income tax returns for the past two years.

14. ARE THERE SPECIAL MORTGAGES FOR FIRST TIME HOMEBUYERS?

Yes, many lenders offer affordable mortgages for first time homebuyers which allow the homebuyer to qualify for certain mortgage products that are not necessarily available to other homebuyers.

15. WHAT IS A LIEN?

A lien is a legal claim against your property that must be paid off when the property is sold. Grants issued through Bronx NHS for the purchase of a home will be attached as liens against the property.

Application Process

Upon attending a Bronx NHS homebuyer orientation/seminar you may submit an application. Once all documents have been processed and reviewed by the Grants Administrator, if your file is approved, you will be contacted to come in for a one-on-one

interview/counseling. If you are mortgage ready and still eligible under our program requirements, you will invited to a grant certificate meeting with other qualified buyers to go over the program guidelines and receive a grant purchaser certificate at that time or as indicated by the Grants Administrator.

[Register to attend a free homebuyer orientation.](#) **[Download an Application.](#)** (pdf file)

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