

*Iowa Finance Authority*

INVESTING IN HOME AND COMMUNITY

## **Single Family Housing Programs**

**September 19th, 2008**



# Iowa Finance Authority “IFA”

- Iowa Code Chapter 16
  - IFA obligations are payable only from specific revenues or asset pledges and do not constitute general obligations of the state
- Mission Statement
  - To finance, administer, advance and preserve affordable housing and to promote community and economic development for Iowans.
  - IFA will improve the quality of life for Iowans by providing affordable housing opportunities and financing community and economic development.



# IFA Home Ownership Programs

## 2007 Purchase mortgages:

- 3,485 Iowa households
  - 5.04% minority households
  - 75% < 80% area median income
  - 35% were female head of household
  - Average household income \$40,581
  - Average household size 2
    - 17% were 3 + household size
- 1,837 received \$2,500 – \$5,000 grants





# IFA Home Ownership Programs

Single Family Programs  
to help your homebuyers.



- *FirstHome*
  - first mortgage
- FirstHome Plus
  - grant
- Military Home Ownership Assistance
  - grant
- Title Guaranty Certificate



# FirstHome – mortgage program

- First time homebuyer (3 years) except in targeted areas or veterans
  - 86 targeted areas – not first-time home buyer requirement
  - Qualifying veterans
- Statewide maximum purchase prices:
  - Non-targeted \$237,000
  - Targeted areas \$289,000
- Household income limit: 115% AMI
  - by family size 1-2 person & 3+ and per county
  - See charts
- Participating lenders originate FHA 203b, FHA 203h, Conventional traditional or MyCommunity, RD 502 Guaranteed or V.A. loans
  - Fixed, fully amortizing 25 – 30 year term
  - Low interest rate – currently 6.25 (Gov), 6.5% (Conv)
  - Low closing costs - NO origination fee or discount points
  - HUD Section 8 Home Ownership subsidy allowable income
  - HomeChoice option for persons with disabilities
  - Some mortgage programs require homebuyer education
  - Title Guaranty required (in lieu of title insurance)

\*Sept. 3, 2008

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





## New Targeted Areas

- Do not have to be first time homebuyers  
86 counties and  
Sioux City Census tract 0015 & 0016
- New income limits for FirstHome  
– (FirstHome Plus income = \$46,800)
- Purchase price limit \$289,000.00



# Veterans Can Use FirstHome

- Veterans exemption has been reinstated
- Veterans do not have to be first-time buyer
- Must have served in active service in last 25 years and not use MRB program (such as FirstHome) previously



# FirstHome Plus

\$2,500 grant with FirstHome mortgage for household income at \$46,800 (80% AMI) or less

- Mortgage interest rate is slightly higher – currently 6.625% (Gov), 6.875% (Conv)\*
- No matching funds needed
- Use for down payment, closing costs or minor repairs.

\*Sept. 3, 2008

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# FirstHome Recapture

- FirstHome - federally subsidized by tax exempt bond financing
- Work with their tax preparer (IRS form 8828)

May be subject to a “recapture tax” **IF**

- |  |       |    |
|--|-------|----|
| – Sold home within first 9 years;  | • Yes | No |
| – Incomes >5%/year above the guidelines in effect when the FirstHome mortgage closed; <b>AND</b> | • Yes | No |
| – Have gain on the sale of the house.  | • Yes | No |

***Need 3 “Yes’s” for Recapture to apply!!!!!!***



# Military Home Ownership Assistance

- Eligible Service person with service since 9/11/01 includes:
  - 90 active duty days; injured service person; or surviving spouse of eligible service person (all must be honorably discharged)
- MUST be purchasing primary residence in Iowa.
- Homebuyers who are eligible for FirstHome must use FirstHome mortgage. If eligible may use FirstHome Plus
- Up to \$5,000 grant for down payment or closing costs
- Required prior approval = existing 60 days; new 120 days.
- Required Title Guaranty Certificate
  - (Free home owner's with Lender's Certificate!!!!)
- Required IFA Participating Lender

Funds are limited to state appropriation - \$1.6 million for FY09.

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

# Iowa Mortgage Help



Clients call: 877-622-4866

or

Complete an on-line application  
at

[www.IowaMortgageHelp.com](http://www.IowaMortgageHelp.com)



IOWA  
MORTGAGE  
HELP.COM  
877.622.4866

A counselor will contact the  
client within  
two business days, but usually  
sooner.





# IMH Counseling Agencies



IOWA  
MORTGAGE  
HELP.COM  
877.622.4866



Citizens for Community Improvement

Center for Siouxland

Community Credit Counseling Services of Nebraska

Consumer Credit Counseling Services of NE Iowa

Community Housing Initiatives

Family Housing Advisory Services

Family Management Credit Counselors

HOME, Inc.

Horizon Community Credit Counseling Service

Iowa Mediation Service

Neighborhood Finance Corp.

Operation Threshold

United Neighbors, Inc.

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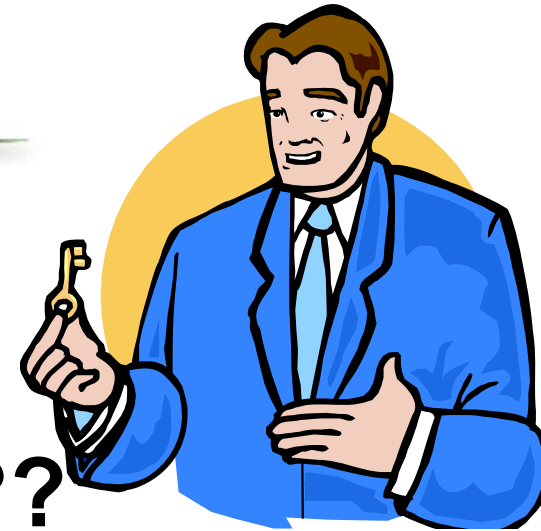
# Title Guaranty Certificate

- Protects Lender and Owner against title claims
- Low cost - \$110 includes lender and owner certificate (“insurance”)
- Title Issues
  - Encroachments
  - Unreleased mortgages
  - Fraud, forgery
  - Errors in public records
  - Mistakes researching title
- Free Owner’s Title Guaranty fee with issuance of Lender’s Title Guaranty.



# HousingIowa Conference '08

OCTOBER 2-3 | DES MOINES, IOWA



Questions?????

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

**Thank you!**