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FOR IMMEDIATE RELEASE

Contact: Sara M. Swenson, Communications Coordinator
(651) 675-4434

CDA Releases Over \$41 Million in First Time Homebuyer Financing

If you're looking to buy your first home this year in Dakota County, then consider applying for a First Time Homebuyer Loan offered by the Dakota County Community Development Agency (CDA). With an interest rate of **4.99%** and up to **\$10,000** in downpayment assistance, buyers will be able to maximize their purchasing power and at the same time have a stable, fixed rate first mortgage.

"We're very excited to once again offer a financing option for homebuyers that also provides downpayment assistance which is often the biggest hurdle for first time homebuyers to overcome," state Mark S. Ulfers, CDA executive director. "In fact, Dakota County is the only county in the state that is able to offer such a program this year after receiving special bonding authority from the U.S. Department of Treasury from a new program called the New Issuance Bond Program. We expect to be able to assist about 240 buyers achieve homeownership."

Interested buyers apply for the loans and downpayment assistance through qualified participating mortgage lenders (a list is available online at www.dakotacda.org/homebuyers.htm). Additionally, homebuyers may also receive the one-time \$8,000 federal tax credit for first time buyers in addition to this program as long as they meet the requirements and deadlines for the tax credit.

First Time Homebuyer Loan Terms & Requirements

- Homebuyers must be first time homeowners or someone who has not owned their primary residence in the last three years.
- Loans must be 30-year amortizing fixed-rate FHA or VA mortgage loans.
- **Income Limits:**
 - ✓ 1 or 2 person households: \$83,900
 - ✓ 3 or more person households: \$92,290
- **Maximum Purchase Prices:**
 - ✓ \$276,683 for single family homes, townhomes or condominiums
 - ✓ \$389,205 for duplexes (duplexes are eligible for the first time homebuyer loans, but not downpayment assistance)
- Properties must be located in Dakota County. Existing properties throughout the county are eligible. New construction is eligible in Apple Valley, Burnsville, Eagan, Empire Township, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul, Sunfish Lake and West St. Paul.
- Homebuyers must occupy the home as their primary place of residence after purchase.
- Home Stretch® Homebuyer Education class certificate required prior to loan closing. Home Stretch® classes are offered by the CDA as well as other metro area providers. For a list of CDA Home Stretch® class dates, visit www.dakotacda.org/homebuyers.htm.

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Downpayment & Closing Cost Assistance Terms & Requirements

- Structured as a zero percent interest, deferred loan with no monthly payments. The loan is repaid when the primary mortgage is paid off, the home is no longer the purchaser's primary residence or when the home is sold or refinanced.
- Homebuyers must contribute a minimum of \$750 of their own funds toward the purchase of the home.
- Home must meet the minimum housing quality standards for FHA or VA mortgages.
- **Loan Amounts & Income Limits:**
 - a. 10% of the first mortgage amount up to \$10,000 for households with incomes at or below 50% of the area median income.
 - b. 5% of the first mortgage amount up to \$7,500 for households with incomes between 51-80% of the area median income.
 - c. 2.5% of the base mortgage amount for households with incomes between 81% and the First Time Homebuyer Program income limits.
 - d. Income limits are available online at www.dakotacda.org/homebuyers.htm

Questions? Call the CDA's First Time Homebuyer Hotline at (651) 675-4442. FREE pre-purchase counseling sessions are also available with trained CDA's Homeownership Counselors. To schedule a pre-purchase appointment call (651) 675-4472.

The First Time Homebuyer, Downpayment Assistance, Home Stretch® and Pre-Purchase Counseling Programs are part of the CDA's Homeownership Connection services. The CDA has been providing First Time Homebuyer financing in Dakota County since 1983 and has assisted over 5,400 homebuyers. For more information about all of the CDA's Homeownership Connection programs and additional resources, visit www.dakotacda.org.

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