



# FIRST-TIME HOMEBUYER AND NEXT HOME PROGRAMS

*Down Payment Assistance and  
Career-Related Mortgage Interest Rate Discounts*

888.362.6432 | MYOHIOHOME.ORG

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## MORTGAGE LOANS FOR FIRST-TIME HOMEBUYERS

The Ohio Housing Finance Agency (OHFA) offers several affordable loan options to help you achieve your dream of homeownership. OHFA offers 30-year fixed rate FHA, VA, USDA-RD and conventional mortgage loans designed especially for homebuyers with low- and moderate-incomes, with generous income and purchase price limits.

### AM I ELIGIBLE?

You may qualify for an OHFA loan if:

- you have not owned or had an ownership interest in your primary residence in the last three years
- your credit score is 640 or higher\*
- you meet income and purchase price limits\*\*

*Additional requirements may apply to specific homeownership loans.*

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OHIO HOUSING FINANCE AGENCY

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## WHICH OHFA LOANS ARE RIGHT FOR ME?

Buyers can add one or more of the following options to an OHFA FHA, VA, USDA-RD or conventional mortgage loan:

**Your Choice! Down Payment Assistance** allows homebuyers to choose either 2.5% or 5% of the home's purchase price. Assistance can be applied toward your down payment, closing costs or other pre-closing expenses. Down payment assistance is forgiven after seven years. If you sell or refinance your home within seven years, you must repay all of the assistance provided.

**Ohio Heroes** offers a mortgage interest rate discount to residents who serve the public. U.S. veterans, active duty military and reserve components, teachers, licensed or certified direct patient caregivers, police officers, firefighters and EMTs are eligible. You can also include Your Choice! Down Payment Assistance. The assistance is forgiven after seven years. If you sell or refinance your home within seven years, you must repay all of the assistance provided.

**Grants for Grads** provides a mortgage interest rate discount to recent graduates earning an associate's, bachelor's, master's or doctorate degree within the last 48 months from an accredited school recognized by the U.S. Department of Education. Grants for Grads includes Your Choice! Down Payment Assistance. The assistance is forgiven as long as you remain in the state of Ohio. If you sell your home and move out of Ohio within five years, you must repay some or all of the assistance provided.

### Mortgage Tax Credit

OHFA provides eligible first-time homebuyers with a tax credit to help with home ownership expenses. First-time buyers get a tax credit of up to 40% (up to \$2,000) of their annual mortgage interest when using an OHFA mortgage loan. Tax credits provide a dollar-for-dollar reduction of your federal tax liability, and you can still claim the remaining percentage of your mortgage interest tax deduction.

### FHA Home Rehabilitation Limited 203(k) (Home Repair Loan)

The FHA Limited 203(k) (Home Repair Loan) helps borrowers purchase properties that need repairs. You must occupy the home as your primary residence after repairs are complete. The amount of the repairs, up to \$35,000, will be added to your primary mortgage.

### FHA Weatherization

FHA's Weatherization program saves you money on utility bills by adding energy-efficient features to the home. Up to \$2,000 in energy-efficient improvements can be added to your primary mortgage.

**Next Home** provides 30-year, fixed-rate mortgages and down payment assistance to buyers who currently own a home, or have owned a primary residence in the past three years but lack the equity to purchase a new home. Loans available through Next Home include conventional and FHA, VA and USDA-RD government loans.

Buyers using Next Home receive down payment assistance equal to 2.5% or 5% of the home's purchase price.

### Homebuyer Education

Qualified buyers are required to complete free homebuyer education. Information on OHFA's streamlined education program is available on our website or, you may complete a course offered by any U.S. Department of Housing and Urban Development (HUD) approved counseling agency in Ohio.



## With an OHFA Loan:



\*Homebuyer may be able to claim up to a \$2,000 mortgage tax credit each year.

## HOW DO I APPLY FOR AN OHFA LOAN?

OHFA loans do not come directly from OHFA. We work with lenders, credit unions and mortgage companies across the state to offer loans to qualified borrowers.

Visit our website at [MYOHIOHOME.ORG](http://MYOHIOHOME.ORG) to find an OHFA-approved lender in your area, along with tips to help you with the application process. Or, call us toll-free at 888-362-6432.

### \*Your Credit Score

If your credit score is below 640, you can take steps to improve your rating. Contact a HUD approved counseling agency in Ohio for assistance.

### \*\*Income and Purchase Price Limits

Income and purchase price limits vary by Ohio county and community. For income and purchase price limits in your area, visit our website.

### \*\*\*Target Areas

A target area is an economically distressed area designated by HUD. Homebuyers who purchase a home in a target area do not have to be first-time homebuyers. Visit our website to find designated target areas in Ohio.



# HOMEBUYERS: WHAT TO EXPECT

Thank you for choosing an OHFA loan on your journey to homeownership. Here's what to do and what you can expect as you navigate the loan process:

## Meet with an OHFA Approved Lender and Bring the Borrower Checklist Documents

OHFA works with a network of Ohio lenders including banks, credit unions and mortgage companies. Visit **MYOHIOHOME.ORG** to find an OHFA-approved lender in your area, along with tips to help you with the application process. Or call us toll-free at 888-362-6432.

### Borrower Checklist

- ✓ Social Security number
- ✓ Tax returns and W2's for the last three years
- ✓ Paycheck stubs from the last 30 days
- ✓ Checking and savings account statements for the last 30 days
- ✓ Bankruptcy paperwork (If applicable)
- ✓ Divorce paperwork (If applicable)
- ✓ Copy of purchase contract (If you have already found a home and are under contract)

Your real estate agent may request a prequalification letter. Please ask your lender; however, a prequalification letter should not be considered a loan approval.

## Complete the Loan Application

Once you have found a home and obtained contract acceptance you will complete the loan application. Your lender may require more documentation during the application process. Ask your lender for an estimate of all costs associated with your loan.

## Complete Homebuyer Education

OHFA requires free homebuyer education for all borrowers once your OHFA loan is reserved. Information on OHFA's streamlined homebuyer education program is available on our website. Or you may complete a course offered by any HUD approved counseling agency in Ohio.

## Review and Approval

The lender verifies your credit report, income, assets and payment history and determines if your application qualifies for an OHFA loan. A home appraisal will be completed during this time by the lender to determine if the value of the property meets the mortgage loan amount.

## Congratulations!

The closing will be scheduled once your loan is approved. Closing usually occurs 30 to 45 days after completing the loan application. Once you sign all of the final documents with the title/escrow company, you'll receive the keys to your new home!

*Note: Other steps in the homebuying process may occur in partnership with your real estate agent.*

## CONTACT INFO



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