

## 2012 Golden Neighborhoods Homeownership Program – Question and Answer Sheet

### **Q: WHO IS A FIRST TIME HOMEBUYER?**

**A:** An individual or family that has either never owned a home or has not owned a home in the last three (3) years and meets the eligibility requirements based on family size and income. A GNHP homebuyer can purchase a condominium or a one, two, three or four family property.

### **Q: WHAT ARE THE INCOME AND FAMILY QUALIFICATIONS?**

**A:** The family income must be within the following ranges to qualify for assistance:

<u>Family Size</u>	<u>No Less Than</u>	<u>Not to Exceed</u>
One	\$25,800	\$41,250
Two	\$29,450	\$47,150
Three	\$33,150	\$53,050
Four	\$36,800	\$58,900
Five	\$39,750	\$63,650
Six	\$42,700	\$68,350
Seven	\$45,650	\$73,050
Eight	\$48,600	\$77,750

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### **Q: WHAT ARE THE CREDIT REQUIREMENTS TO PARTICIPATE IN THE PROGRAM?**

**A:** The applicant must have a minimum credit score of 640.

### **Q: HOW DO YOU BECOME A GOLDEN NEIGHBORHOODS FIRST TIME HOMEBUYER?**

**A:** You must:

- Complete GNHP pre-purchase training
- Obtain an official certificate of completion
- Receive a letter and certificate of eligibility
- **Not** have entered into a contract of sale prior to certification by the City of Jersey City
- Have at least \$1500 in savings

### **Q: WHAT IS THE SUBSIDY AMOUNT?**

**A:** Eligible GNHP homebuyers can receive up to 10% of the purchase price for the down payment with a maximum subsidy of \$40,000 for down payment and closing costs.

### **Q: WHAT STEPS ARE REQUIRED TO RECEIVE THE SUBSIDY?**

**A:** The subsidy is awarded to the Homebuyer once:

- The participant finds a home in Jersey City and enters into contract
- The property passes the mandatory local Housing Standards and Lead Based Paint Inspections
- The participant receives an appraisal for the property and secures a mortgage commitment from a lender

### **Q: WHEN DOES THE GNHP PARTICIPANT RECEIVE THE SUBSIDY?**

**A:** The payment is delivered at the time of closing in the name of both the buyer and buyer's attorney.

### **Q: DOES THE SUBSIDY HAVE TO BE REPAYED?**

**A:** The homebuyer must maintain the home as his/her primary residence throughout the affordability period (10 years). The GNHP subsidy is considered a grant not a loan. There are not interest charges or payments for the life of the grant. It becomes a loan if the buyer moves, sells the property prior to the end of the required affordability period or defaults on the mortgage. The homebuyer is required to repay a portion of the grant based upon a recapture schedule.

### **Q: HOW IS THE GNHP FIRST TIME HOMEBUYER PURCHASE DIFFERENT FROM A CONVENTIONAL REAL ESTATE TRANSACTION?**

**A:**

- The Homebuyer receives mandatory GNHP pre-purchase training
- The Homebuyer receives a federal subsidy for down payment and/or closing costs
- The Homebuyer, Seller, Realtor and Lending Institution must follow specific guidelines that are not applicable to a conventional transaction
- The GNHP Homebuyer has an advocacy team of counselors, trainers and advisors working with him/her