2022 Golden Neighborhood Homeownership Program – FAQ 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: DO I HAVE TO BE A JERSEY CITY RESIDENT TO APPLY?

A: Yes. The program is only open to current residents of Jersey City.

Q: WHAT ARE THE INCOME AND FAMILY QUALIFICATIONS?

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

HOUSEHOLD SIZE	2022 HUD INCOME LIMITS
ONE	(1): No less than $48,300. Not to exceed $64,350.
TWO	(2): No less than $55,200. Not to exceed $73,550.
THREE	(3): No less than $62,100. Not to exceed $82,750.
FOUR	(4): No less than $68,900. Not to exceed $91,900.
FIVE	(5): No less than $74,450. Not to exceed $99,300.
SIX	(6): No less than $79,950. Not to exceed $106,650.
SEVEN	(7): No less than $85,500. Not to exceed $114,000.
EIGHT	(8): No less than $91,000. Not to exceed $121,350.

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

A: The applicant must have a minimum credit score of **660.**

Q: HOW DO YOU BECOME A GOLDEN NEIGHBORHOOD FIRST TIME HOMEBUYER?

A:

- Complete GNHP pre-purchase training (first time home buyer class)
- Obtain a Mortgage Pre-Approval from a Lender
- Obtain an official certificate of completion from a HUD certified counseling agency
- Receive a GNHP certificate of eligibility from DCD
- **Not** have entered into a contract of sale prior to certification by the City of Jersey City
- Have 3% of purchase price in an account in your name

Q: WHAT IS THE SUBSIDY AMOUNT?

A: Eligible GNHP homebuyers can receive up to 10% of the purchase price for the down payment plus up to $10,000 for closing costs for maximum subsidy of $150,000.

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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 REPAID?

A: The homebuyer must maintain the home as his/her primary residence throughout the affordability period (5 years per $25,000). The GNHP subsidy is considered a grant not a loan. There are no 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

Q: How to find a lender?

A:

- DCD will be hosting a **Mortgage Fair October 5, 2022 at 5PM – 8PM at the 4 Jackson Square Building.** This event will be open to the public.

Q: What happens if I do not get selected for the lottery?

A:

- If you qualify but were not selected, we will save your information to alert you of the next GNHP lottery.
- If you do not qualify based on financial reasons, we will reach out to you to provide organizations that can assist with financial literacy.

Q: CAN I SUBMIT DUPLICATE ENTRIES?

A: No. Anyone found with duplicate entries will be disqualified from the lottery!