

FIRST-TIME HOMEBUYERS OFFERED GREATER PURCHASE FLEXIBILITY

BISMARCK – The Industrial Commission of North Dakota has approved an increase in the purchase price and income limits for several North Dakota Housing Finance Agency (NDHFA) mortgage loan programs, and opened up a purchase assistance program to higher income levels.

“Homeownership is a large part of the American Dream, so we strive to keep the first-time homebuyer programs as affordable and accessible as possible in North Dakota,” said Gov. John Hoeven. “With the increased program limits, NDHFA is able to offer families looking to buy their first home greater opportunities to make that first purchase.”

The Commission raised the acquisition cost limits for NDHFA’s FirstHome, Start and HomeKey programs to \$237,000 statewide. The new income limits for the FirstHome and Start programs range from \$57,000 to \$75,210, and \$28,500 to \$37,605 for HomeKey. The income limits vary by family size and county.

“The Housing Finance Agency’s mortgage loan programs have helped make homeownership a reality for more than 28,000 North Dakota families,” said Agriculture Commissioner Roger Johnson. “The increase in purchase price and income limits allows NDHFA to more aggressively market their homeownership programs.”

The FirstHome Program provides low-interest rate mortgages for first-time homebuyers in North Dakota. Start provides the buyers with an affordable first mortgages and help with out-of-pocket cash requirements. With HomeKey, lower-income buyers are able to enhance their purchasing power by receiving a break on NDHFA’s already low mortgage interest rate.

“Homeownership provides a foundation upon which vital communities, safe neighborhoods and personal dreams are built,” said Attorney General Wayne Stenehjem. “For many families, homeownership is their primary means of wealth accumulation.”

The Commission also raised the income limits for NDHFA’s Downpayment and Closing Cost Assistance (DCA) program to 80 percent of the US Dept. of Housing and Urban Development’s (HUD) area median income. The aim of the DCA program is to help lower income homebuyers meet out-of-pocket cash requirements.

“Previously, DCA funding was limited to borrowers earning 50 percent or less of the FirstHome program income limits” said Mike Anderson, NDHFA executive director. “With rising home prices and interest rates, more borrowers are in need of downpayment assistance. Moving the limit to 80 percent allows more buyers to qualify for the DCA program and ultimately qualify to purchase a home.”

The purchase price limits used for NDHFA’s programs are based on a combination of data provided by local sales surveys and safe harbors that are based on Federal Housing Administration single-family loan limits. Data is analyzed early in the year so new limits are available going into spring when home purchase activity typically reaches its peak. The Housing Finance Agency’s income limit increase was established using HUD’s recently published area median income numbers.

NDHFA provided financing for 1,246 homes in 2005. The average home acquisition cost was \$94,019, and the median borrower’s household income was \$39,011. Participating lenders originate the program loans and sell them to the Housing Finance Agency. To determine program eligibility or for more information, potential homebuyers should contact an NDHFA participating lender. Information is also available online at www.ndhfa.org.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, oversees the NDHFA.