

FIRST-TIME HOMEBUYERS RECEIVE MORE FINANCING ASSISTANCE

BISMARCK – The Industrial Commission has expanded the home mortgage assistance programs available to first-time homebuyers through the North Dakota Housing Finance Agency (NDHFA).

“When the U.S. Treasury Department increased the acquisition limits for new and previously occupied single-family homes this spring, the demand for NDHFA’s Home Mortgage Finance Program (HMFP) increased dramatically,” said Governor John Hoeven. “With more than 45 percent of NDHFA borrowers seeking assistance from the agency’s secondary mortgage programs, it was critical to increase the downpayment and closing cost assistance available to these borrowers.”

The \$3,000 borrowing cap was removed from the Start Program, NDHFA’s downpayment program, and assistance was set at three percent of the first mortgage amount. Now borrowers can also use the funds for closing costs and prepaid items. Assistance available through NDHFA’s Downpayment and Closing Cost Assistance (DCA) Program was established at the greater of three percent of the purchase price or \$2,000. Funded by the U.S. Department of Housing and Urban Development’s HOME Program, DCA is targeted to lower income borrowers. Both programs require a minimum borrower investment of \$500.

“We are confident that these changes will be enthusiastically welcomed by the first-time homebuyers and the agency’s affordable housing partners,” said Attorney General Wayne Stenehjem.” The changes should also be welcomed by the general public, as increased homeownership opportunities results in economic and social benefits for all of North Dakota.”

The Commission also approved a loan interest rate for NDHFA’s HomeKey Program at the same level as the standard HMFP loan, but with the monthly payments graduated in a three-step schedule to reduce the initial cost for the borrower. The program provides very low-income borrowers with a reduced interest rate during the early years of the loan’s amortization period.

“The state’s first-time homebuyer programs have made home ownership a reality for almost 26,000 North Dakota families,” said Agriculture Commissioner Roger Johnson. “During the past fiscal year, 38 percent of the agency’s borrowers utilized the Start Program, 9 percent used DCA funds, and 10 percent received HomeKey loans.”

NDHFA’s acquisition cost limits for new and previously occupied homes were increased statewide to \$189,600 for single-family homes in March. Previous limits for existing single-family homes ranged from \$90,066 to \$119,409 depending on the location. The limit for all newly-constructed single-family homes was \$150,000. During the first full month following the increase, NDHFA saw a 20 percent increase in the average HMFP loan amount.

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“Homebuyers who have not owned a home during the past three years may be eligible for the first-time homebuyer program,” said Pat Fricke, NDHFA executive director. “To determine eligibility or for more information on the HMFP, potential homebuyers should contact a participating lender.”

Commonly known as the First-Time Homebuyer Program, the HMFP provides low interest rate mortgages for first-time homebuyers in North Dakota. Participating lenders originate the loans and sell them to the state agency. The loans are either serviced by the participating lender or NDHFA.

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, oversees NDHFA. For more information, contact the agency at (701) 328-8080, (800) 292-8621 or (800) 366-6888 (TTY). Information is also available online at www.ndhfa.org.

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