City of New Bedford, Massachusetts

OFFICE OF HOUSING & COMMUNITY DEVELOPMENT

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Joshua D. Amaral
Director

Jon Mitchell
Mayor

ENHANCED FIRST-TIME HOMEBUYER PROGRAM

ELIGIBLE PROPERTIES	Condominiums & 1-3 family units located within the City of New Bedford
ELIGIBLE ACTIVITIES	• **Down Payment and Closing Cost Assistance:** Total amount for down payment/ closing cost assistance is up to a maximum of **$25,000, t**his includes interest rate buydown based on need. • **City Workers:** (City, School, Police and Fire Departments) Eligible for an extra $10,000
BORROWER CONTRIBUTION	Applicants are required to contribute a minimum of 1% of the purchase price towards the down payment AND meet the stipulations set forth by the primary mortgage lender.
UNDERWRITING CRITERIA	Applicants must be able to secure a first mortgage through a Lender according to their underwriting standards. Lenders or applicants will need to provide copies of all relevant loan application documents.
ELIGIBILITY CRITERIA	• The property being purchased must be located in New Bedford. • Properties with rental units must be vacant at the time an offer to purchase is made. • **Must be current New Bedford residents.** Determined by acceptable sources of proof of residency (see acceptable sources of proof of residency) • Must be a First-Time Homebuyer • Applicants must complete an approved homebuyer counseling seminar

ELIGIBLE BORROWERS:

All applicants must complete an approved homebuyer-counseling seminar. Applicant's gross annual household income cannot exceed 120% of the median family income for New Bedford, as follows:

2025 Household Income	1 PER.	2 PER.	3 PER.	4 PER.	5 PER.	6 PER.	7 PER.	8 PER
120%	**100,500**	**114,850**	**129,200**	**143,450**	**155,050**	**166,500**	**177,950**	**189,500**

The OHCD application process begins when we receive a complete application package from the applicant(s)' s mortgage lender. The Lender should provide the items on the **Attached Checklist** to the OHCD. (Please note that the OHCD cannot accept applications that do not have a signed Purchase & Sales Agreement.)

For questions, concerns, or further information regarding the ARPA-Enhanced First Time Homebuyer Program, please feel free to reach out to our program coordinator. Assistance is available to guide you through the process.

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EQUAL HOUSING OPPORTUNITY

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ENHANCED FIRST-TIME HOMEBUYER PROGRAM

Introduction:

The ARPA (American Rescue Plan Act) Grant for down payment, closing costs and interest rate buydown assistance aims to support individuals and families by providing financial assistance for home purchases in COVID-impacted areas. This helps address housing affordability challenges, particularly for low-and moderate-income households, facilitating access to homeownership and promoting economic recovery. The ARPA Enhanced Program will be administered through the Office of Housing and Community Development (OHCD) utilizing funding from the American Rescue Plan Act ("ARPA") Grant.

The ARPA- Enhanced Program will require applicants to agree to occupy the property as their primary residence for five (5) years. Homebuyers will be required to execute a Homeownership Grant Agreement recorded at the Registry of Deeds to ensure property is not sold, leased, or transferred. If the property is sold, leased or transferred prior to the five years, funds must be repaid to the city.

The OHCD will assist qualifying low- and moderate-income families (at or below 120% of Median Family Income (MFI) who wish to purchase their first home in New Bedford. The City's assistance, along with a primary loan from a conventional lender, will provide financing/grant funds (less down payment requirements) to make up the property's purchase price. A primary lender (bank, credit union or mortgage banker) will provide primary financing for the benefit of eligible borrowers. The city will provide the grant to qualified low-moderate income first-time homebuyers for the down payment/closing costs and interest rate buydown.

Purpose:

The purpose of ARPA (American Rescue Plan Act) funds, particularly in relation to homeownership in COVID-impacted areas, is to provide financial assistance and support to individuals and families who have been adversely affected by the COVID-19 pandemic. These funds are intended to address various aspects of the economic fallout from the pandemic. Overall, the goal of allocating ARPA funds to homeownership in COVID-impacted areas is to stabilize the housing market and promote economic recovery for affected communities. As well as facilitating access to homeownership for low- and moderate-income individuals and families by providing financial assistance for down payment, closing costs and interest rate buydown.

The program will provide New Bedford residents who are first time home buyers with down payment and closing cost assistance and interest rate buydown- up to 1 point.

Type of Assistance:

Down payment assistance, closing cost assistance, and interest rate buydown, up to 1point. The total amount of the grant is up to maximum of $25,000, based on need. City workers (City, School, Police and Fire) are eligible to receive an additional $10,000 based on need. Applicants whose liquid assets (savings and checking accounts, stocks, bonds, etc.) exceed $10,000 will be required to use all but $10,000 toward down payment and/or closing costs for the purchase of their home and may not be eligible for down payment, closing cost and interest buydown assistance.

Types of Properties:

The eligible properties must be condominiums & 1-3 family units, located in New Bedford.

Loan Application Process:

Borrowers may apply for the grant through the OHCD. Lenders will need to supply the OHCD with copies of all relevant loan application documents including, but not limited to, the application, verifications, and the appraisal **(Please see Enhanced First-Time Homebuyer Program Application checklist)**. Funding will be available on a first come, first served basis and will be contingent upon the availability of funding.

Once all documents have been received and verifications completed, a rehabilitation specialist from the OHCD will conduct a walkthrough of the property. Property must pass appraisal / inspection standards. If repairs are required, as determined by property inspection, applicant(s) must obtain financing to make required repairs or obtain a purchase and rehabilitation loan to correct deficiencies. For properties that will have children under the age of six (6) years old, t**he property must have all painted surfaces intact and cannot have any chipping or peeling paint.** If there is chipping and peeling paint, the surfaces will need to be made intact before the application can proceed and will be required to be deleaded. If all loan requirements are met, you will receive a loan commitment letter for the down payment, closing cost and/or interest rate buydown assistance. Upon receiving a commitment for the first mortgage financing from the lender, the applicant must contact the OHCD to coordinate the loan closing.

Eligibility Standards:

Applicant(s) must be current New Bedford residents and be First Time Home Buyers. Applicant(s) must agree to occupy the property as their primary residence for a minimum of five (5) years. Applicant(s) will be required to execute a Homeownership Grant Agreement recorded with the Registry of Deeds to ensure property is not sold, leased, or transferred. If property is sold, leased or transferred prior to the five years, funds must be repaid to the City.

Applicant(s) must be able to secure a 1st mortgage in accordance with first mortgage underwriting criteria and property must pass appraisal/inspection standards. If repairs are required, as determined by property inspection, applicant(s) must obtain financing to make required repairs or obtain a purchase and rehabilitation loan to correct deficiencies. Lender or applicant(s) will need to provide copies of all relevant loan application documents.

Primary loan must be fully amortized, fixed rate with a maximum term of 30 years.

Applicant(s) are permitted to combine this assistance with other down payment assistance programs. However, cash back at closing is not permitted.

Asset Limit: Applicant(s) whose liquid assets (savings and checking accounts, stocks, bonds, etc.) exceed $10,000 will be required to use all but $10,000 toward down payment, closing costs and/or interest rate buydown for the purchase of their home and may not be eligible for down payment, closing cost and/or interest buydown assistance.

Purchase property must be "arm's length transaction" and property must meet appraisal requirements.

Any home to be purchased under this program must be owner-occupied. Properties with rental units must be vacant at the time an offer to purchase is made on the residence to ensure that the acquisition of the residence will not result in tenant displacement. Pursuant to HUD regulations, an owner-occupied residence is not considered displaced if the existing owner agrees to the purchase price at fair market value.

In order to determine a participant's eligibility to payment assistance from the OHCD, all prospective applicants will be required to submit an application along with documentation that verifies compliance with the specific requirements of the program. Applicant(s) must provide a copy of their latest three federal income tax returns and W-2 forms, one month of most recent pay stubs for all members (over the age of 18 years) of the household who will reside in the home, bank statements for the last two months, and other income supporting documents, as may be required. Self-employed individuals will need to submit profit and loss statements for the prior year, as well as a projected profit and loss for the next twelve months. In addition, applicant(s) will be required to provide written certification of all assets, including retirement accounts, gross household income and their qualification as first-time homebuyers under the program. Please refer to the application checklist of required documents for the ARPA-Enhanced First-Time Homebuyer Program.

The applicant's eligibility for assistance from the program and the amount of assistance will be determined upon review and verification of the applicant's income, expenses, assets, and funding required to purchase the property based upon need.

Eligible Participant:

Must be current New Bedford resident and provide acceptable documentation.

First-Time Homebuyer

Any individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home through the Program, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

a. A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family,

b. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody, or is pregnant; and

c. An individual or individuals who own or owned, as principal residence during the three-year period before the purchase of a home with funds from the Program, a dwelling unit whose structure is:

    - Not permanently affixed to a permanent foundation in accordance with local or state regulations; or

- Not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Applicants will be required to certify that they qualify for the Program as a first-time homebuyer based on the definition listed above.

Household Income Limits

Applicant(s) household current and projected income for all household members 18 years and older for the subsequent twelve-month period must not exceed the City of New Bedford low- moderate-income limits, adjusted by household size, as established annually by the U.S. Department of Housing and Urban Development ("HUD") Sources of income includes, but is not limited to, wages, salaries, tips and commissions; income from self-employment; income from interests, dividends, net rental income or income from estates or trusts; Social Security or railroad retirement; Supplemental Security Income or any public assistance; any retirement or other pensions; and any other source of income received regularly, including Veteran's payments, unemployment compensation, and or alimony.

Income guidelines are as follows:

120% of median income by family size:

1 person -$92,050	5 persons -$141,950
2 persons -$105,100	6 persons -$152,400
3 persons -$118,300	7 persons -$162,950
4 persons -$131,400	8 persons -$173,500

Eligible property Type:

The eligible properties must be condominiums, or 1-3 family units located in New Bedford.

Eligible Activities:

Financing available under this program can be used for down payment, closing costs, and interest rate buydown, based upon need.

Debt-to-Income Ratio:

Program eligibility will be based on total household income, housing cost ratios and debt-to-income ratios. Properties that involve multi-family units can utilize rental income to offset ratios. Housing costs include principal and interest, property taxes and insurance, private mortgage insurance, and homeowner association dues. Ratios are determined by dividing monthly housing and long-term installment expenses by the gross monthly income. The following ratios apply:

- **Condo/ Single family properties**: (36%/ 45%) "Front end" housing to income ratio cannot exceed 36% and "back end" total debt to income ratio cannot exceed 45%. All outstanding debt is factored into the debt-to-income ratio.
- **Two family properties**: 50%/ 58%
- **Three family properties**: 60%/ 68%

Credit:

Applicant(s) is/are expected to have good credit, in accordance with industry standards and meet the stipulations set forth by the primary mortgage lender. Any delinquent or charged-off accounts must be paid, or an acceptable payment plan must be established.

Co-signer:

Based on program requirements, a buyer who receives an ARPA-Enhanced First-Time Homebuyer Program Grant cannot have a co-signer.

First-Time Homebuyer Seminar:

Applicants will be required to attend a CHAPA approved seminar/workshop designed to provide information about becoming a first-time homebuyer. Applicant(s) must attend Landlord training if purchasing a multi-family property. The applicant must attend such seminar and submit evidence of attendance prior to receiving a grant from the OHCD, preferably before making an offer to purchase a property. The City will also provide information on where such seminars may be held. The applicant may attend any seminar of his/her choice as long as it meets the OHCD's requirements and proof of attendance is submitted (i.e. Certificate of Completion). **For a list of approved First-Time Homebuyer (FTHB) and Landlord course schedules, visit CHAPA.org and mymasshome.org.**

Principal Residence:

The homebuyer shall occupy the property as their principal residence throughout the term of the OHCD's assistance. A principal residence is one that is occupied by one or all of the owner(s) for a minimum of ten (10) months of the year. If the qualifying applicant(s) cease to use the property as a principal residence, all funding provided by the OHCD shall immediately become due and payable in full.

No Tenant Displacement:

Any home to be purchased under this program must be owner-occupied. Properties with rental units must be vacant at the time an offer to purchase is made on the residence to ensure that the acquisition of the residence will not result in tenant displacement. Pursuant to HUD regulations, an owner-occupied residence is not considered displaced if the existing owner agrees to the purchase price at fair market value.

Acceptable Sources of Proof of Residency:

Two documents must be from this group dated within 30 days. For a document to prove residence, it must state the residential address. A P.O. Box is not an acceptable proof of residency. Documents mailed "in care of" are not valid for proof of residency:

Utility Bill (electric, heating, telephone, cable, cell), Credit Card Statement, Current Lease or Rental Agreement, Bank Statement, W-2 Wage & Tax Statement from immediate prior year, Current Pension Statement or Retirement Statement, Paystubs, Current SSA Statement, Current Installment Loan (car loan), Auto Insurance or Renter Insurance Policy, School Transcript, Tuition Bill (current year), RMV Issued Correspondence

Affirmative Marketing /Non-discrimination:

The OHCD's First-Time Homebuyer Assistance Program will not discriminate against anyone based on race, color, religion, sex, national origin, familial status, ancestry, age, or disability. The Program will follow Affirmative Marketing procedures and requirements established by HUD for the HOME Program under rule 24 CFR Section 92.351.

Equal Opportunity and Fair Housing:

The ARPA Program will adhere to the following Federal Equal Opportunity and Fair Housing laws:

i. Equal Opportunity. No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with ARPA funds.

ii. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., p.652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1.

iii. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.

iv. The requirements of Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60.

Inspections / Lead Based Paint Disclosure:

Property must pass appraisal / inspection standards. If repairs are required, as determined by property inspection, applicant(s) must obtain financing to make required repairs or obtain a purchase and rehabilitation loan to correct deficiencies. For properties that will have children under the age of six (6) years old, **the property must have all painted surfaces intact and cannot have any chipping or peeling paint.** If there is chipping and peeling paint, the surfaces will need to be made intact before the application can proceed and will be required to be deleaded.

The property must adhere to Massachusetts General Laws & HUD requirements regarding lead based paint. The applicant(s) must be supplied with a Lead Hazard Information Pamphlet and Disclosure, if the property being purchased was constructed prior to 1978. The purchase and sale agreement must contain lead based paint notification. Properties built prior to 1978 and that will have children under the age of six (6) years old, will require separate testing for lead based paint.

First-time homebuyers who have previously participated in the ARPA Enhanced First-Time Homebuyer (FTHB) Program may qualify with 120% of the median income if they purchased a home with lead paint and are either pregnant or have a child six years old or younger, provided they meet other ARPA-Enhanced Repair Program eligibility requirements. Subject to the availability of funds

Monitoring of ARPA Program Compliance:

The OHCD may conduct periodic inspections of the property for the term of the Grant to determine program compliance. Additionally, beneficiaries must live in the property as their primary residence for at least 5 years after receiving assistance and sign a recorded Homeownership Grant Agreement.

Home inspections are not required but strongly encouraged.

ENHANCED FIRST TIME HOMEBUYER PROGRAM

LOAN PROCESS

1. The OHCD application process begins when we receive an application package from the applicant(s)'s lender. The lender should provide the items on the **Attached Checklist** to the OHCD. (Please note that the OHCD cannot accept applications that do not have a signed Purchase & Sales Agreement.) Only applications that are fully completed and include all required documents will be considered and processed in the order of their submission. It is important to note that the application process typically takes a minimum of 45 to 60 days from the date of submission.

2. The OHCD will verify program eligibility by ensuring that applicant(s) meet income guidelines adjusted for household size and initial underwriting qualifications.

3. Upon initial financial approval, a rehabilitation specialist will conduct a walk-through of the property. Property must pass appraisal/inspection standards. If repairs are required, as determined by property inspection, applicant(s) must obtain financing to make required repairs or obtain a purchase and rehabilitation loan to correct deficiencies.

4. For properties that will have children under six (6) years old, the property must pass visual inspection to determine if the property is "lead safe" (i.e.: no peeling, chipping, or flaking paint) prior to any assistance. If the property fails an initial visual inspection, if there is chipping and peeling paint, the surfaces will need to be made intact before the application can proceed and will be required to be fully deleaded after closing. The OHCD can assist with obtaining financing through available programs.

5. Upon initial OHCD approval, the applicant(s) will be given a grant package containing a commitment letter for the down payment, closing cost and/or interest rate buydown assistance, a Beneficiary Agreement, and any other required documents.

6. The lender will receive a copy of the commitment letter, and upon final approval of the first mortgage application, will notify OHCD immediately and provide us with a copy of their final first mortgage commitment letter and closing attorney information.

7. Grant Closing Process**:** Upon grant approval, the first mortgage loan closing and the OHCD loan closing will be coordinated. The OHCD will need to be notified at least ten (10) business days prior to the first mortgage closing date. The OHCD will conduct a grant closing in our office for the down payment, closing cost and/or interest rate buydown assistance prior to the lender's closing. Checks will be provided to the applicant(s) to bring to the first mortgage closing.

   Please be advised the application process typically takes a **minimum** of 45 to 60 days from the date of submission. It is the applicant(s) responsibility to ensure closing deadlines are met.

ENHANCED FIRST-TIME HOMEBUYER PROGRAM APPLICATION CHECKLIST

Name_____

Property Address _____

	Date Rec'd	Item	Notes	Verified by:
1		Signed Purchase and Sales Agreement, including property transfer Notification Certification *Closing Date:* _____		
2		Signed Uniform Residency Loan Application		
3		Proof of Residency		
4		Verification of minimum down payment on P&S		
5		Copies of 1 month of most recent pay stubs with YTD information, Social Security Award Letter, SNAP Benefits, ETC. All income of household members 18+		
6		Copies of 2 months most recent checking and savings accounts of all working household members 18+		
7		Copy of recent Credit Report		
8		Copies of last 3 years Tax Returns and W2's/1099's		
9		Loan Estimate from lender		
10		Copy of Appraisal		
11		Signed Authority to verify credit & Authorization to Release Information (attached)		
12		Copy of Bank Commitment Letter		
13		Lender Summary Sheet (attached)		
14		Verification if children under 6 yrs old will be residing on the property		
14A		Lead Paint Inspection Report Yes No N/A		
15		Home Inspection Report (if available)		
16		Homebuyer Counseling Certificate		
17		Homeowners insurance binder		

Items 1-13 provided by Lender

***Only applications that are fully completed and include all required documents will be considered and processed in the order of their submission. It is important to note that the application process typically takes a minimum of 45 to 60 days from the date of submission.**