

FINANCIAL WELLNESS

NEWSLETTER

Clark College

Real Estate Programs for First-time & Low-income Buyers

Many of us think home buying is only an option for those with a high income, ample savings, and perfect credit. Fortunately, there are many programs available to help first-time and/or low-to moderate-income buyers make their dream of owning a home a reality.

Definition of a First-time Homebuyer:

- Individuals who have had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This may also include a spouse, so if either meets the above test, they are considered first-time homebuyers.
- Single parents who have only owned a property with a former spouse while married.
- Individuals who are displaced homemakers and have only owned with a spouse.
- Individuals who have only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- Individuals who have only owned property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Programs:

[Proud Ground](#) makes homeownership affordable to income-qualified, first-time homebuyers (meaning you have not owned a home within the last three years) through the [Community Land Trust model](#). Working with their partners, they educate and counsel homebuyers, administer grant funding to create affordable homebuying opportunities, and manage the entire real estate process on behalf of the homebuyer. Once a homeowner purchases with Proud Ground, they provide post-purchase support to ensure the homeowner's long-term stability in the home. In exchange for a reasonable purchase price (about \$60,000 to \$100,000 LESS than a market-rate home), homeowners agree to resale arrangements that provide a seller with a share of the homes equity while ensuring the home remains affordable for another moderate-income homebuyer. Homes are currently available in Oregon. Check the site regularly for availability in SW Washington.

[The USDA Loan program](#) provides down payment assistance, low interest rates when you purchase a home in a targeted rural area. You can check the [USDA eligibility map](#) to see zones that are eligible in your targeted area for your home search. Ask your realtor to show you homes in your price range and only in the targeted rural areas.

Down Payment Assistance:

Information below is from the [Low-Income Relief](#) site:

HomeChoice Down Payment Assistance Loan Program provides [up to \\$15,000](#) toward the down payment and closing costs of your first-time home buyer loan! This program is a second mortgage loan program for households with at least one disabled family member. This second mortgage has a mere one percent interest rate.

Teacher Next Door is a [down payment assistance program for teachers](#) and employees of K-12 public schools, private schools, community colleges and technical schools. The assistance is awarded as a second loan with a 3 percent interest rate and a 10-year loan term

House Key Opportunity loans are a [special mortgage product](#) designed for those who are obtaining some form of down payment assistance. They can be combined with [Opportunity Down Payment Assistance Loans](#) of up to \$10,000. Contact a lender for more information.

Veterans Down Payment Assistance is a statewide program that can provide [\\$10,000 in down payment assistance](#) for persons who received an honorable or medical discharge. Spouses who have never remarried and dependent children of deceased veterans may also qualify. This \$10,000 loan carries a 3 percent interest rate and does not have monthly payments. You will have to pay off the balance when you pay off, sell, transfer or otherwise move out of the home, though.

Mortgage Programs:

Washington State Housing Finance Commission administers several first-time home buyer loan programs. They have [home buyer education workshops](#), [home loan programs](#) and [down payment assistance](#).

EnergySpark Home Loans grant a [0.25% interest rate reduction](#) to buyers who purchase an energy efficient home or make upgrades to an existing home at the time of purchase.

Home Advantage Loans are a type of WSHFC loan that is designed to help low income families [purchase a home with a good interest rate](#). You can receive up to [four percent](#) of the mortgage loan amount in down payment assistance!

Visit the [Clark College website for information about financial wellness resources and virtual workshops](#) or [email us for a free coaching session at \[financialwellness@clark.edu\]\(mailto:financialwellness@clark.edu\)](#)

The Financial Wellness Center is an educational service only. We do not provide professional investment, legal, or tax advice. The information provided is for general educational purposes only, and is not intended as a substitute for the advice of your investment, legal, and/or tax advisors or to be the basis of specific trading or investment activities. If you need investment, legal, and/or tax advice, please consult with a licensed professional.