

GOVERNMENT SPONSORED PROGRAMS TO ASSIST FIRST-TIME HOMEBUYERS IN CENTRAL TEXAS

TRAVIS COUNTY HOUSING FINANCE CORPORATION

Dear first-time homebuyer,

There are a multitude of housing organizations in the Central Texas/Travis county area that have created several programs to help Texans purchase homes. While it may seem overwhelming at first, a short review of the housing organizations and their programs will quickly make the overall process understandable.

TYPES OF PROGRAMS

All programs designed for first time home buyers can be broken down into 4 types. Also, it should be noted that all programs still require the homebuyer to be able to qualify for a home mortgage.

1. **Down payment/Closing Cost Assistance (DPA)** – These programs offer a loan to cover your down payment and closing cost requirements. The loan may require repayment when the homebuyer resells the home or may be forgiven at a certain rate for every year you live in the home. *(example \$10,000 in assistance forgiven 10% per year, if home is sold in year 5, only \$5,000 needs to be repaid)*
2. **Texas Dept. of Housing and Community Affairs Down Payment Assistance (TDHCA-DPA)** – Two programs designed to monetize the Federal First Time Homebuyer Tax Credit enacted within the American Recovery and Reinvestment Act of 2009. These are short-term loans equal to 5% of the first lien mortgage (up to \$7,000 or \$6,000) prior to filing for and receiving the federal first time homebuyer tax credit.
3. **Below Market Interest Rate Mortgage Loans without Down Payment Assistance (BMM w/o DPA)** – These programs offer mortgages below market interest rates. The lower rates makes it easier for homebuyers to meet lending income requirements.
4. **Below Market Interest Rate Mortgage Loans with Down Payment Assistance (BMM with DPA)** - These programs offer mortgages below market interest rates and up to 6% Down Payment Assistance Grant. The lower rates make it easier for homebuyers to meet lending income requirements.
5. **Mortgage Credit Certificate Programs (MCC)** - The MCC reduces the amount of Federal income tax a homebuyer pays, thus giving more available income to qualify for a mortgage loan and to make monthly mortgage payments.

After reviewing the programs, your first step is to contact and visit with one (or more) of the approve lenders for the programs. The lender will review your information and help you determine which programs you qualify for and if you are able to combine several programs.

REFERENCE MATERIAL AND AVIALABLE PROGRAMS BY HOUSING ORANIZATION

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**HUD Income Limits by Family Size
Austin Area Median Family Income**

Household Size	1	2	3	4	5
30% Median Income	14,950	17,100	19,200	21,350	23,050
60% Median Income	29,850	34,150	38,400	42,650	46,050
80% Median Income	39,850	45,500	51,200	56,900	61,450
100% Median Income	48,370	55,280	62,190	69,100	74,628

TRAVIS COUNTY HOUSING FINANCE CORPORATION

For Information call (512) 854-4743 or (512) 854-4399

Website: http://www.co.travis.tx.us/housing_finance/default.asp

Program Type:	1 - DPA
Program Name:	Standard Down Payment Assistance Program
Program Description: We are out of Funds please check back in August.	\$8,325 assistance, as a deferred, 5-year, forgivable, 0%-interest loan. 20% of the loan is forgiven each full year the home buyer remains in the home.
Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	80% AMFI
Financing	fully amortized, fixed-rate loan of up to 30 years with an interest rate that does not exceed the prevailing market interest rate for conforming loans
Coverage Area	Within Travis County but outside the Austin city limits
Cost of Home Limit	not to exceed \$219,450
Home Buyer Education	Complete 8-hour course with Consumer Credit Counseling – call (512) 447-0711

AUSTIN HOUSING FINANCE CORPORATION

For Information call (512) 974-3100

Website: <http://www.ci.austin.tx.us/ahfc/>

Program Type:	1 - DPA
Program Name:	Standard Down Payment Assistance Program
Program Description:	Up to \$10,000 assistance, as a deferred, 10-year, forgivable, 0%-interest loan (plus up to \$1,000 additional for borrowers in a Mortgage Credit Certificate Program, plus an additional \$4,999 for people with disabilities). The loan is forgiven if the borrower remains in the home ten (10) years. Otherwise the loan is due and payable if the borrower sells, leases, transfers title, refinances, gets a home equity loan, or pays off the first lien within ten (10) years of receiving assistance.

Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	80% AMFI
Financing	fully amortized, fixed-rate loan of up to 30 years with an interest rate that does not exceed the prevailing market interest rate for conforming loans
Coverage Area	Within Austin city limits
Cost of Home Limit	not to exceed \$219,450
Home Buyer Education	Complete AHFC Housing Smarts Course

Program Type:	1 - DPA
Program Name:	Shared Equity DPA
Program Description:	Up to \$40,000 assistance, as a deferred, 30-year, 0%-interest loan, with a "shared equity" agreement and a City of Austin "right of first refusal" agreement. The Shared Equity DPA option is not forgivable. The loan is due and payable, plus a percentage of equity gained (that is equal to the percentage of AHFC's original investment), if the borrower sells, leases, transfers title, refinances, gets a home equity loan, or pays off the first lien within 30 years of receiving assistance.

Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	80% AMFI
Financing	fully amortized, fixed-rate loan of up to 30 years with an interest rate that does not exceed the prevailing market interest rate for conforming loans
Coverage Area	Within Austin city limits
Cost of Home Limit	not to exceed \$219,450
Home Buyer Education	Complete AHFC Housing Smarts Course
Borrower Contribution	\$1,000

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

For Information call toll free: 1-800-792-1119

Website: <http://www.tdhca.state.tx.us/homeownership/fthb/index.htm>

Program Type:	4 – BMM with DPA
Program Name:	Texas First Time Homebuyer Program Program 70 Unassisted – 5.75% interest rate,
Program Description:	The Texas First Time Homebuyer Program provides below market interest rate mortgage loans through a network of participating lenders to eligible families and individuals who are purchasing their first home or who have not owned a home in the past three years.

Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	115%/140% Area Median Family Income (AMFI)
Financing	Must qualify under FHA, RHS, VA, Fannie Mae or Freddie Mac guidelines. 30 year fixed rate mortgage loans
Coverage Area	Texas
Cost of Home Limit	Non-Targeted \$237,031 Targeted \$289,704
Home Buyer Education	NA

Program Type:	5 - MCC
Program Name:	Mortgage Credit Certificate (MCC) Program
Program Description:	The size of the annual tax credit will be 30% (2008 MCC Program) of the annual interest paid on the mortgage loan. However, the maximum amount of the tax credit shall not exceed \$2,000 per year. The credit cannot be larger than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of the current year tax liability may, however, be carried forward for use in the subsequent three years.

Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	Purchase price and income limits, adjusted by household size apply
Financing	Must be underwritten according to FHA, VA, USDA/RHS or conventional loan criteria and will be at prevailing market rates.
Coverage Area	Texas
Cost of Home Limit	Non-Targeted \$237,031 Targeted \$289,704
Home Buyer Education	NA

Program Type:	2 – TDHCA - DPA
Program Name:	Statewide Second Lien Repayable Down Payment Assistance Loan Programs
Program Description:	These programs are intended to allow the consumer to take advantage of recent legislation by receiving a short term loan prior to filing for and receiving the federal first time homebuyer tax credit. The 90-Day Down Payment Assistance Program allows down payment up to \$7,000; the Mortgage Advantage Program allows down payment up to \$6,000.
Requirements	
Homebuyer	First-time home buyer (Mortgage Advantage Program only); Must complete a pre-purchase homebuyer education course; Must be eligible to claim the federal first time homebuyer tax credit; Must complete Form 5405 and file an amended 2008 IRS federal income tax return.
Income Limits	Purchase price and income limits, adjusted by household size apply
Financing	Must be underwritten according to FHA, VA, USDA/RHS or conventional loan criteria and will be at prevailing market rates. A \$250 administrative fee will be charged for both programs.
Coverage Area	Texas
Cost of Home Limit	Non-Targeted \$237,031 Targeted \$289,704
Home Buyer Education	Required

Below is a summary of approximate program funds available **as of June 23, 2009**:

Down Payment Assistance Funds Available					
	Remaining	Rate	AMFI	Amt. of Assistance	Program End Date
Mortgage Advantage Program w/Program 70	\$1,500,000	7%	Non-Targeted Areas: Up to 115% Targeted-Disaster Areas: Up to 140%	5% of Loan Amount up to \$6,000	12/01/09
Mortgage Advantage Program w/MCC	\$1,000,000	7%	Non-Targeted Areas: Up to 115% Targeted-Disaster Areas: Up to 140%	5% of Loan Amount up to \$6,000	12/01/09
90-Day Down Payment Assistance Program	\$5,000,000	10%	Follow IRS First Time Homebuyer Tax Credit Guidelines	5% of Loan Amount up to \$7,000	12/01/09
FTHB Assisted Funds Available					
	Remaining	Rate	AMFI	Amt. of Assistance	Program End Date
Program 68 Non Targeted/Targeted	\$0	6.20%	Up to 115/140%	5% Grant	07/01/09
Program 68 Non Targeted/Targeted	\$0	5.99%	Up to 115/140%	5% Grant	07/01/09
Program 68 - Rita GO Zone	\$0	5.99%	Up to 140%	5% Grant	07/01/09
Program 70- Non Targeted/Targeted	\$0	6.50%	Up to 115/140%	5% Grant	02/01/10

FTHB Unassisted Funds Available				
	Remaining	Rate	AMFI	Program End Date
Program 68 Non Targeted / Targeted	\$0	5.65%	Up to 115%/140%	07/01/09
Program 70- Non Targeted/Targeted	\$27,275,658	5.75%	Up to 115%/140%	02/01/10
MCC Funds Available				
	Remaining	MCC Credit %	AMFI	Program End Date
2008 MCC - Non Targeted	\$0	30%	Up to 115%	12/31/10
2008 MCC - Targeted	\$0	30%	Up to 140%	12/31/10
2009 Texas Mortgage Credit Program Non Targeted	\$18,509,497	30%	Up to 115%	12/31/11
2009 Texas Mortgage Credit Program Targeted	\$2,715,464	30%	Up to 140%	12/

TEXAS STATE AFFORDABLE HOUSING CORPORATION

For Information call (512) 477-3555 x411 or (888) 638-3555 x411

Website: <http://www.tsahc.org/single/>

Program Type:	4 - MCC
Program Name:	Mortgage Credit Certificate (MCC) Program
Program Description:	The size of the annual tax credit will be 35% (2008 MCC Program) of the annual interest paid on the mortgage loan. However, the maximum amount of the tax credit shall not exceed \$2,000 per year. The credit cannot be larger than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of the current year tax liability may, however, be carried forward for use in the subsequent three years.
Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	80% of Area Median Family Income; or be a full-time Teacher, Teacher Aide, School Librarian, School Nurse, School Counselor, Firefighter, EMS Personnel, Peace Officer, Correction Officer, County Jailer, or Public Security Officer working in the State of Texas.
Financing	Must be underwritten according to FHA, VA, USDA/RHS or conventional loan criteria and will be at prevailing market rates.
Coverage Area	Texas
Cost of Home Limit	Non-Targeted \$237,031 Targeted \$289,704
Home Buyer Education	NA

CAPITAL AREA HOUSING FINANCE CORPORATION

For Information call (512) 347-9953

Website: <http://www.cahfc.org/firsttimehomebuy.shtml>

Program Type:	4 - MCC
Program Name:	Mortgage Credit Certificate (MCC) Program
Program Description:	The size of the annual tax credit will be 30% (2009 MCC Program) of the annual interest paid on the mortgage loan. However, the maximum amount of the tax credit shall not exceed \$2,000 per year. The credit cannot be larger than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of the current year tax liability may, however, be carried forward for use in the subsequent three years.
Requirements	
Homebuyer	First-time home buyer (not owned home in last 3 yrs)
Income Limits	For most counties: 1-2 person households = \$73,300 and 3 or more person households = \$84,295; Lower for Blanco, Burnet, Fayette, Lee, and Llano Counties.
Financing	Must be amortizing, fixed-rate FHA, VA, or conventional loans that are acceptable to Fannie Mae or Freddie Mac. The credit cannot be used in conjunction with a mortgage revenue bond loan.
Coverage Area	Bastrop, Caldwell, Hays, Williamson, Blanco, Burnet, Fayette, Lee, and Llano Counties
Cost of Home Limit	\$258,690
Home Buyer Education	Required

LIST OF STATE APPROVED LENDERS (AUSTIN AREA)

Texas Department of Housing and Community Affairs Texas First Time Homebuyer Program
Participating Lender Branch Listing City Lender Branch Address Contact Phone

All Homes Mortgage

6010 Balcones Drive, Suite 210 (512) 302-4244

AmeriProFunding dba All Homes Mortgage

6010 balcones Drive, Suite 210 (512) 302-4244

Bank of America Home Loans

9600 N. Mopac, Suite 100 (512) 576-0247

Austin - Capstar Lending, LLC

6836 Austin Center Blvd., Ste. 110 (512) 459-2400

Chase Home Finance

9020 Capital of Tx Hwy N #170 (512) 431-7055

Austin - Colonial Savings, F.A. / Colonial National Mortgage

911 W. Anderson Ln.; Ste. 115 (512) 837-3411

Austin - Compass Bank

5800 North Mopac (512) 419-3403

Austin - Cornerstone Mortgage Company 2600 Via Fortuna, Ste. 330 2600 Via Fortuna, Ste. 330	(512) 314-7333 (512) 314-7312
Austin - CTX Mortgage Company 12301 B Riata Trace Pkwy, Ste. 100	(512) 795-0190
Austin - DHI Mortgage Company 12554 Riata Vista Circle, 1st Floor	(512) 502-0545
Austin - IMortgage 7200 N. Mopac, Suite 170	(512) 485-7692
Austin – Land Mortgage 8300 N. Mopac, Suite 225	(512) 503-1018
MSH Mortgage 3815 S. Capital of Texas Hwy, Suite 130	(512) 685-6661
Austin - PrimeLending, a PlainsCapital Company 2705 Bee Caves Rd.	(512) 381-4790
Realty Mortgage 11940 Jollyville Rd., #100-S	(512) 506-9100
Ryland Mortgage 10415 Morado Circle Bldg 1, Suite 100	(512) 343-3260
Standard Pacific Mortgage 12401 Research Blvd, Bldg II, Suite 250	(512) 506-4081
Austin - Universal American Mortgage Company 12301 Research Blvd.; Bldg. 4, Ste. 180	(512) 418-0550
Austin - Wachovia Mortgage Corp. 8200 N. Mopac; Ste. 200	(512) 634-2125
Austin - Wells Fargo Home Mortgage 609 Castle Ridge Road; Ste. 200	(512) 330-3227
Austin - WR Starkey Mortgage, LLP 807 Las Cimas Parkway, Ste. 150	(512) 329-9040