



## Greene County Workforce Homeownership Program

In order to more fully explain the administration, program delivery and application process of the Greene County Workforce Homeownership Program, the Department of Economic Development, Tourism and Planning has put together this question and answer fact sheet.

**Q: What is the source of funding, and how much funding is available?**

**A:** Greene County was awarded \$450,000 in Community Development Block Grant (CDBG) funding from the New York State Office of Community Renewal (OCR) for the creation and development of a first-time homeownership program. The Greene County Workforce Homeownership Program will provide 15 deferred-payment loans to help first-time homeowners in the County purchase existing single-family housing. Participants must live or work in Greene County at the time of application, and complete or have completed a Catskill Mountain Housing class session. Mortgages will be available County-wide on a first-come, first-served basis as long as funding remains available.

**Q: What is a "first-time homeowner?"**

**A:** The U.S. Department of Housing and Urban Development (HUD) has a standard definition of a first-time homeowner, which Greene County will be following as the Homeownership Program is funded with HUD monies. Households must meet one or more of the following criteria:

- 1) An individual who has had no ownership in a principal residence during the three-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers);
- 2) A single parent who has only owned with a former spouse while married;
- 3) An individual who is a displaced homemaker and has only owned with a spouse;
- 4) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations, such as a tax-classified manufactured home;
- 5) An individual who has only owned a 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.



**Q: What kinds of houses are eligible?**

A: The home purchased must be an existing single-family home, duplex, townhouse or condominium. Houses purchased must be in move-in condition, or require minimal repairs that can either be “rolled into the deal” as part of the financing, or completed using another program such as Home Repair or HOME funding. Construction of new homes is not permitted with Homeownership Program funds as this is a mortgage assistance program. All homes purchased must be owner-occupied for the duration of the deferred-payment loan (15 years), or be immediately repaid.

Multi-family and rental properties are ineligible, as are “handyman special” type houses that are not in move-in condition. The State of New York Mortgage Agency (SONYMA) mortgage limit, currently at \$237,500, is the maximum price cap for Workforce Homeownership Program houses.

**Q: What are the requirements for customers to participate?**

A: Customers participating in the Workforce Homeownership Program are required to live or work in Greene County, be low-income according to the current HUD Income Limits for Greene County, be credit-worthy, and have a minimum of \$1,500 in their own funds to use as equity for the home purchase. Catskill Mountain Housing will be working with as many people as possible to participate in the First Home Club, a program of the Federal Home Loan Bank that matches deposits 4:1.

Classroom training sessions will be required, and will be held on a regular basis by CMHDC during the program period.

**Q: What are the income limits for the Workforce Homeownership Program?**

A: The income limits for the Workforce Homeownership Program are determined on an annual basis by HUD, and are based on county and size of household. The current income limits (2009) are as follows:

One Person:	\$32,200
Two Persons:	\$36,800
Three Persons:	\$41,400
Four Persons:	\$46,000
Five Persons:	\$49,700
Six Persons:	\$53,350
Seven Persons:	\$57,050
Eight Persons:	\$60,700



**Q: How will the County deliver the program funding?**

A: The County will provide marketing for the program as well as OCR-required administrative services, as required of grantees. The County has contracted with Catskill Mountain Housing Development Corporation to provide most program delivery services, including counseling, classroom training, application intake and assisting the customer through the homebuying process. It is the national experience that first-time homebuyers who complete classroom training before purchasing a home are more likely to remain in the home long-term and not default on their mortgages.

Catskill Mountain Housing is an experienced agency in the delivery of homeownership programs, having run several HOME and CDBG-funded programs in the past.

**Q: How long will the program be in operation?**

A: Until the 15 mortgages are completed or August 31, 2010, whichever comes first. The County has the option of applying for additional funding during the annual CDBG Competitive Open Round, but it is not possible for the County to request "add-on" funding should demand exceed supply. Should the program prove to be successful, the County may apply for additional funding in future rounds of the CDBG program.

**Q: How will homeowners complete the mortgages?**

A: Participants in the program will have to complete an application with Catskill Mountain Housing, and be qualified to obtain a first mortgage with a financial institution. The Workforce Homeownership Program will only provide up to \$30,000 in assistance (including closing cost assistance) as a deferred-payment loan for homebuying assistance. The remainder of the funding must come from private financing. Catskill Mountain Housing staff will work with the customer on their application and individual needs to find the best financial package for the customer.

Once the application and loan package is in place, the County's Economic Development Committee will review and make recommendations to the Legislature regarding the mortgage package. The Greene County Legislature will ultimately approve the project at their monthly meeting, and it will be implemented by the County after approval. The County Attorney will secure the deferred-payment loan (that turns into a grant) in the form of a mortgage security instrument.

Funds are drawn down from New York State for each individual mortgage once they are ready to be executed, and paid to the seller at the closing.