



## District 5 First-Time Homebuyer Expanded Program Guidelines

**Program Objective:** To mitigate the efforts of gentrification; to provide residents with homeownership opportunities; to assist in creating generational wealth; to provide long-term housing support; and to encourage economic stability.

**Source of Funding:** City of Miami Forever Bonds

**Income Limits:** Up to 100% per household size. In the event the Applicant can provide documentation proving that he or she is a current City of Miami or Miami-Dade County first responder (including police, fire emergency medical personnel) or an active or retired member of the United States Air Force, Army, Navy, Coast Guard, or Marines, the income limit may be up to 140% of AMI, adjusted for family size. The current year's income limits are below or may be downloaded from: [www.miamigov.com/incomelimits](http://www.miamigov.com/incomelimits)

2022/2023 – Income Limits*								
Household Size	1	2	3	4	5	6	7	8
100% of Median Income	\$68,250	\$78,000	\$87,750	\$97,500	\$105,313	\$113,125	\$120,938	\$128,750
140% of Median Income	\$95,620	\$109,200	\$122,920	\$136,500	\$147,420	\$158,340	\$169,260	\$180,180

*Update: HUD issued, June 2022*

- Eligible Properties:**
- Single Family Residences
  - Townhomes
  - Condominiums
  - Must be located in District 5 of the City of Miami
  - Must meet minimum Housing Quality Standards

- Eligible Borrowers:**
- Must reside in the City of Miami. *Note: This requirement is waived only if applicant is current City of Miami or Miami-Dade County first responder.*
  - Must not have previously owned a home.
  - Household income complies with the “Income Limits” detailed above.
  - Must be able to afford a monthly payment based on debt-to-income ratio calculations.
  - Must contribute at least two thousand dollars (\$2,000) of personal funds towards down payment /closing costs.
  - Must attend and successfully complete United States Department of Housing and Urban Development approved housing counseling workshop.

- Maximum Sales Price:**
- Not to exceed Five Hundred Thousand Dollars (\$500,000) for new construction or existing properties.

- Maximum Assistance:**
- If the Applicant qualifies and is selected pursuant to the process established herein, the City will then provide up to Two Hundred Thousand Dollars (\$200,000) in the form of a forgivable second mortgage with a thirty (30) year term.



- Loan Terms:**
- 0% interest non-amortizing.
  - Deferred payment 30-year loan.
  - Payment of principal will be forgiven at the end of maturity period provided that the homeowner resided in the home as their primary residence and complies with the terms of the loan documents throughout the mortgage's term.
  - The City shall have the right of first refusal for any encumbered property that is sold or otherwise conveyed during the mortgage's term.

- Security:**
- The loan will be secured by a recorded second mortgage on the property

- First Mortgage Restrictions:**
- Term of the loan must be 30 years with a fixed interest rate and cannot exceed more than 150 basis points over Freddie Mac's weekly average 30-year rate, as published in the Primary Mortgage Market Survey ("PMMS"); no prepayment penalties; total percentage charged for Discount, Origination & Broker fees must not exceed 2 points; all other lending fees must be reasonable and cannot exceed \$500 or 0.5% of the loan amount, whichever is greater.
  - The applicant will be required to secure a first mortgage in an amount that would result in a total payment, inclusive of principal, interest, taxes and insurance, equal to thirty percent (30%) of the Applicant's total gross income.

- Other Restrictions:**
- Applicant must reside in the purchased home at all times. The loan will be due at sale. Transfer of property or if the home ceases to be the main residence of the Applicant. The property must become their owner-occupied homesteaded property, and there is to be only one application per household. The Applicant may not lease the Property, or any portion thereof, during the term of the mortgage.

- Resale Restrictions:** If the Applicant sells and/or transfer the house **before** the end of the City's mortgage term, the following provisions will apply:
- 1) The Borrower will be required to repay the original amount given as assistance.
  - 2) The City shall share in any 'gain' realized, based on its pro-rated share of participation in the original purchase. Furthermore, if the sale occurs within the first 3 years, the City shall keep 100% of its pro-rated share of the 'gain', from year 3 up to year 20, the City's share of its pro-rated 'gain' shall decrease by 5% every year, while in turn, the owner's share shall increase by 5% each year. At year 20, up to the City's loan maturity, the owner shall retain 100% of the City's 'gain'.
  - 3) This above share gain proposal terminates in the event of a foreclosure, with the lender required to provide the City the right of first refusal to purchase the loan at a negotiated price. In the event of a foreclosure, the City will recapture any amount of net proceeds available from the sale of the property.