

UTAH HOUSING CORPORATION

Utah First-Time Homebuyer Law Enforcement Officer Grant Summary

Provide interest-free, forgivable down payment and closing cost assistance grants to individuals working as Law Enforcement or Correctional Officer to purchase a home in or near the community where they work.

Program Administrator: Utah Housing Corporation on behalf of the State of Utah

Program Scope:

- Grant forgiveness (a pro-rata share) over 5 years (60 months)
- Assist approximately 320 officers who are (generally) first-time homebuyers
- Reservations of Grant funds can be requested on or after July 1, 2022
- Grant reservations will be issued on a first-come, first-serve basis
- Grant request must come from Utah Housing Corporation Approved Lender
- After Officer has pre-qualified the lender can reserve funds as Officer looks for a home
- When a Reservation has been issued, Utah Housing will send a copy of the Commitment Letter to the Officer.

Grant Terms:

- No payment, no interest grant
- Grant amount: up to 3.5% of purchase price or \$25,000, whichever is the lesser
- Pro-rata portion of grant forgiven each year individual is employed in Utah as an Officer and occupies the home as their primary residence
- An IRS-1099 form will be issued annually to each recipient, indicating the amount of the grant forgiven the previous year; the officer should discuss with a tax professional the potential effect on their taxes
- May be used for down payment, closing costs, mortgage insurance, or mortgage interest rate buydown
- May be combined with Utah Housing down payment and closing cost assistance second mortgage
- For loans where the Officer:
 - o Needs a Utah Housing second mortgage, the interest rate of the second mortgage will be reduced to 4%
 - o Does not close with a Utah Housing second mortgage the first mortgage interest rate will be reduced by up to .5% based on current market conditions

Eligibility:

- Full-time employment as law enforcement or correctional officer, as defined in Utah Code Section [53-13-103](#) or Section [53-13-104](#)
- The Officer must be a first-time homebuyer defined as:
 - o Not having had an ownership interest in a primary residence in the past 3 years.
 - o A single parent who has at least one dependent child, regardless of previous homeownership interest.

- Loss of spouse and party no longer occupies nor has an ownership interest in a previously owned home.
- If relocating from out-of-state, the first-time homebuyer requirement is waived
 - if a purchase is completed within 6 months of the work-start date in Utah (up to 12 months if a new home construction purchase contract is signed)
- The home must be owner-occupied within 30 days of closing and remain owner-occupied during the 5-year term of the grant agreement
- The first mortgage must be funded and serviced by Utah Housing
- Letter of Grant program participation may be included in the officer's personnel file for verification of Grant forgiveness or repayment

Eligible Properties

- Must be owner-occupied
- Single Family Home (can include a mother-in-law apartment or accessory dwelling unit)
- Manufactured Home, placed on a permanent foundation
- Condominium, Town Home, a home in a Planned Unit Development (PUD, Twin Home)
- A one –two-unit dwelling, the Officer must occupy one of the units as their Primary Residence

Ineligible Properties:

- Investment properties, vacation rentals, second homes, etc.

Occupancy/Rental:

Occupancy

- The Officer must occupy the residence as a primary residence within 30 days of closing and continue to occupy the residence throughout the term of the Law Enforcement Grant.

Rental

- The Law Enforcement Grant permits the Officer to rent a portion of the home, such as a mother-in-law apartment, or an Accessory Dwelling Unit as long as the Officer continues to occupy the residence as their Primary Residence and the rented portion meets all state, local, and Utah Housing loan program requirements.
- One-Two unit dwellings are permitted if at least one of the units is occupied by the Officer as their Primary Residence throughout the term of the Law Enforcement Grant.

Eligible Loan Programs:

- All Utah Housing loan programs are eligible, must work with an [approved Utah Housing Participating Lender](#).
- FHA, VA, or Freddie Mac Conventional mortgage
- Grant may be combined with a Utah Housing down payment assistance second mortgage

Receiving the Grant Funds

- Officer must receive a Commitment Letter from Utah Housing stating grant has been approved
- Title Company will request the grant funds from Utah Housing at least three days prior to Closing.
- Grant funds will be wired to the Title Company for the Officer to use to purchase the home.

Repayment of Grant:

- Repayment of some or entirety of the grant may apply
- If the home is sold before 5 years elapse from the closing date of the first mortgage
- If the individual receiving the grant leaves employment as a Law Enforcement or Correctional Officer
- Home is not owner-occupied within 30 days of the closing
- No longer occupies the residence throughout the term of the Law Enforcement Grant.
 - o Consideration may be permitted for extenuating circumstances, such as Officer relocation in Utah, critical or terminal health conditions, divorce, or a joint tenant owner relationship being terminated.
 - o Extenuating circumstances may be considered upon request from the Officer and Officer Employer.
- Officer shall occupy the home as the Officer's primary residence so long as the Officer owns the home.

Operational Aspects/Considerations:

- Only Utah Housing-approved Lenders are eligible to request a Grant from Utah Housing for the Officer.
- Law Enforcement Grant will be serviced by Utah Housing in West Valley City, Utah
- At the time of payoff request, the amount of grant to be repaid (if any) will be calculated by Utah Housing based on the number of months served as an officer since the Closing date
- Only one grant per property is eligible, i.e. 2 officers purchasing a home together cannot both use the Officer Grant
- One Officer Grant, per lifetime, per officer