



First-time Homebuyer Assistance Program Application Disclosure

First-Time Homebuyer (FTHB) Information

Homebuyer (Recipient) Name

Co-Homebuyer (Co-Recipient) Name

Property Address

_____ City

_____ State

_____ Zip

Lender _____

Purpose

The purpose of this document is to disclose the terms of the First-time Homebuyer Assistance Program (Assistance Program or Program). The State of Utah appropriated funds to assist first-time homebuyers in purchasing a newly constructed, not yet inhabited residential unit.

Completing this Disclosure does not entitle nor ensure the Recipient will receive Program funds.

Program Administrator

The Program Administrator funding the Assistance Program for the State of Utah:

Utah Housing Corporation, 2479 South Lake Park Blvd, West Valley City, UT, 84120

Email: grantprograms@uthc.org Phone: 801-902-8200

Terms

- The Recipient must be a First-time Homebuyer.
- The Recipient must have lived in Utah for at least twelve (12) months before closing per *Utah Admin Code 460-3-1 (e) A recipient of Assistance Program funds must have lived in the state continually for at least the last 12 months before the closing date of the mortgage loan.*
- The Recipients may receive up to \$20,000 in Program assistance.
- The Program funds may be used for the down payment, closing costs, and/or a permanent interest rate buydown for the qualifying mortgage loan.
- The Assistance Program loan is a 0% interest, zero monthly payment loan secured by a subordinate recorded Deed of Trust and evidenced by a Subordinate Note. Repayment of all or a portion of the funds may be due upon sale or refinance.
- Income limits will be determined by the Utah Housing Corporation (UHC) first mortgage loan program under which the qualifying mortgage loan is reserved. Any loan program offered by UHC may be used in conjunction with the Assistance Program.

First-Time Homebuyer Defined

"First-time homebuyer" is an individual who satisfies the three-year, non-ownership requirement described in the Internal Revenue Code Section 143(d) and includes a single parent who had an ownership interest with that parent's former spouse in the principal residence and resided in such residence during the three-year period (which period ends on the day the new mortgage is executed) and no longer has an ownership interest or resides in such residence).

Financing with a UHC FirstHome loan may require additional or slightly different requirements, which must be met.

Qualifying Residential Unit

"Qualifying residential unit" – is a residential unit that:

- is located in the state of Utah,
- is new construction or newly constructed but not yet inhabited,
- is financed by a qualifying mortgage loan,
- is owner-occupied within 60 days of purchase, and
- is purchased for an amount that does not exceed \$450,000.

Ineligible Properties:

Investment properties, vacation rentals, second homes, and other similar types of properties.

"Residential unit" means a house, condominium, townhome, or similar residential structure that serves as a one-unit dwelling, or part of a two-unit dwelling as long as one unit is owner-occupied.

Residential units include a manufactured home or modular home attached to a permanent foundation.

Down Payment Assistance and Grant Programs

Program funds may be combined with UHC's down payment assistance Second Mortgage. If the loan does not close with a UHC Second Mortgage, an interest rate reduction based on then-prevailing market conditions will be applied to the first mortgage.

The Assistance Program may not be combined with other grant programs administered by UHC, such as the Veterans Grant and Law Enforcement and Correctional Officer Grant.

Due Upon Sale, Repayment, Home Equity, Tax Matters

If the Recipient completes a future sale or refinance, the Recipient shall repay an amount equal to the lesser of:

- the amount of Program assistance the Recipient received, **or**
- 50% of the home equity amount.

In the case of a sale, "home equity" is the bona fide sale price minus the unpaid principal balance of the qualifying mortgage loan(s) **less an amount up to 1% of the sales price used for seller-paid closing costs.**

In the case of a refinance, "home equity" is the current appraised value of the qualifying residential unit (as determined by a currently licensed Utah Utah-certified residential appraiser) minus the unpaid principal balance of the qualifying mortgage loan(s).

Tax Matters:

The Recipient should consult with a tax professional with any questions regarding the receipt or repayment of the Assistance Program funds.

Requesting Assistance Funds

Once the Recipient has credit-qualified with a Lender for a Utah Housing mortgage loan, the Lender may submit an Assistance Program reservation request for the Recipient. Funds can be reserved before construction starts or before a purchase contract has been signed.

Program funds will only be disbursed to a title company licensed to do business in Utah. Loans closed before the funds are wired to the title company are ineligible for the Assistance Program funds.

Expiration/Extension of Assistance Program Reservation Agreement

The initial reservation period is 90 days. At the conclusion of the 90 days, if the Recipient still qualifies for a UHC first mortgage and has entered into a purchase contract with a builder or contractor for a specific property, the reservation may be extended 120 days with the potential for up to two additional 120-day extensions for homes under construction and continued eligibility of Recipient.

Authorization

I hereby authorize UHC to verify other information, including but not limited to the progress of construction and loan qualification. This authorization will be effective for the entire term of the reservation plus six months from the date the Recipient receives Program funds. It is further understood that a copy of this form will also serve as authorization.

Recipient hereby certifies to Utah Housing Corporation on behalf of the State of Utah as follows:

The Recipient has read and understands the information and meets the requirements in this Disclosure. They have been a resident of Utah for 12 months, per Utah Admin Code 460-3-1, prior to closing and are a First-time Homebuyer as defined herein.

The Recipient intends to occupy the referenced above as their primary residence within 30 days of closing.

Recipient Signature	Date
Recipient Signature	Date
Recipient Signature	Date