

DEFINITIONS

- “Qualifying mortgage loan” - a mortgage loan that is purchased and serviced by Utah Housing Corporation (Utah Housing) and secured by a recorded deed of trust in the county where the home is located.
- “Qualifying residential unit” - a residential unit that is: located in Utah; new construction or newly constructed but not yet inhabited; financed by a qualifying mortgage loan; owner-occupied upon purchase; and purchased for an amount that does not exceed \$450,000.
- “Recipient” - a first-time homebuyer who is an owner-occupant borrower and/or co-borrower(s) who receive program funds.
- “First-time homebuyer” - 42 U.S. Code § 12852 defines a first-time homebuyer as an individual who-
 - a. (and whose spouse) has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property.
 - b. is a displaced homemaker, who except for owning a home with his or her spouse or residing in a home owned by the spouse, meets the requirements of a).
 - c. is a single parent who, except for owning a home with his or her spouse or residing in a home while married, meets the requirements of a).
- “Program” - the First-time Homebuyer Assistance Program created in Section 63H-8-502.
- “Program funds” - money appropriated for the Program.
 - “Assistance” - also used in this FAQ in reference to Program funds/loans.

FREQUENTLY ASKED QUESTIONS

WHEN WILL THE PROGRAM FUNDS BE AVAILABLE?

Funding of Program loans will be available for loan closings happening on or after July 25, 2023 (funding request must be received 3 business days prior to closing, i.e. July 19). Reservation requests may be submitted by a Utah Housing Participating Lender (Lender) beginning Tuesday, July 11, 2023.

WHEN CAN I APPLY FOR ASSISTANCE?

Once the Recipient has credit-qualified with a Lender for a Utah Housing mortgage loan, the lender may submit a Program reservation request.

WHAT ARE THE TERMS OF THE PROGRAM LOAN?

The Program loan is a 0% interest, no monthly payment loan secured by a recorded Deed of Trust and evidenced by a Subordinate Note.

CAN I RESERVE PROGRAM FUNDS BEFORE CONSTRUCTION STARTS, OR BEFORE I HAVE SIGNED A CONTRACT?

Yes. All Program reservations will include an expiration date as well as requirements for subsequent extensions.

IF I ENTERED INTO A CONSTRUCTION CONTRACT PRIOR TO THE CREATION OF THE PROGRAM, AM I STILL ELIGIBLE FOR ASSISTANCE?

Yes, if the Recipient is issued a Program reservation prior to the closing of the qualifying mortgage loan. Program funds will only be disbursed to a title company licensed to do business in Utah.

WHO WILL ADMINISTER THE PROGRAM AND SERVICE PROGRAM LOANS?

Utah Housing will administer the Program and will service both Program and qualifying mortgage loans.

CAN THE PROGRAM LOAN BE COMBINED WITH A UTAH HOUSING DOWN PAYMENT ASSISTANCE 2ND MORTGAGE?

Yes. In this situation, the Deed of Trust for the Program loan will be recorded in a third lien position.

IF I RECEIVE ASSISTANCE AND CHOOSE TO NOT USE A UTAH HOUSING DOWN PAYMENT ASSISTANCE 2ND MORTGAGE, WILL I RECEIVE A RATE REDUCTION ON MY QUALIFYING MORTGAGE LOAN?

Yes. A rate reduction based on then-prevailing market conditions will be applied at the time of interest rate lock.

CAN A PROGRAM LOAN BE COMBINED WITH THE VETERANS OR LAW ENFORCEMENT AND CORRECTIONAL OFFICER GRANTS ADMINISTERED BY UTAH HOUSING?

No.

MUST A BUYER USE A CERTAIN LENDER OR LOAN PROGRAM TO RECEIVE ASSISTANCE?

Yes. A [Utah Housing Participating Lender](#) must be used to obtain a qualifying mortgage loan. Any first mortgage loan program offered by Utah Housing may be used in conjunction with a Program loan.

HOW MUCH MAY I RECEIVE IN ASSISTANCE AND FOR WHAT PURPOSE(S) MAY IT BE USED?

A Recipient may receive up to \$20,000 in Assistance and the funds may be used for down payment, closing costs, and/or a permanent interest rate buydown for the qualifying mortgage loan.

HOW MANY HOMEBUYERS WILL THE PROGRAM ASSIST?

Approximately 2,400 homebuyers. Future funds may be available based on repayment of Program funds received from the sale of qualifying residential units or the refinance of qualifying mortgage loans.

IS THERE A MAXIMUM PURCHASE PRICE FOR A QUALIFYING RESIDENTIAL UNIT?

Yes. The maximum purchase price is \$450,000.

WHY IS THE PROGRAM ONLY FOR NEWLY-BUILT HOMES?

The Program's objectives are to assist first-time homebuyers and incentivize builders to produce affordable housing units throughout the state.

WILL THERE BE INCOME LIMITS?

Yes. Income limits are determined by the Utah Housing loan program under which the qualifying mortgage loan is reserved.

MUST I BE A UTAH RESIDENT IN ORDER TO QUALIFY FOR THE PROGRAM?

Yes. Any Recipient must have been a resident of Utah for at least twelve (12) months prior to closing.

WHAT ARE ELIGIBLE PROPERTY TYPES

Eligible property types include detached single-family homes, condominiums, townhomes, or similar residential dwellings, including manufactured or modular homes attached to a permanent foundation.

MUST THE ASSISTANCE BE REPAID WHEN THE QUALIFYING RESIDENTIAL UNIT IS SOLD OR THE QUALIFYING MORTGAGE LOAN IS REFINANCED?

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

- the amount of Assistance the Recipient received; or
- 50% of the home equity amount:
 - i. 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)
 - ii. 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 certified residential appraiser) minus the unpaid principal balance of the qualifying mortgage loan(s)