



Homebuyer Program Policy



The City of Binghamton uses CDBG entitlement funds to provide financial assistance to first-time income eligible homebuyers who are purchasing a single family home for owner-occupancy within the City of Binghamton municipal boundaries. Eligible applicants will be provided up to \$10,000 in a zero-interest deferred loan to pay for up to 50% in required down payment costs and reasonable closing costs.* Applicants are also required to contribute \$1,500 towards acquisition costs. Funds provided by the City will be made payable in the form of a two-party check payable to the homebuyer/mortgagee, and seller or lender. CDBG funds that are unused at closing must be made payable to the City of Binghamton from lawyer trust account. Under no circumstances can City funds be used to make a direct payment to an applicant. The homebuyer will be required to pay the City of Binghamton the applicable recording fees to record a mortgage modification so that the mortgage reflects the amount of actual CDBG assistance provided to client to purchase the home.

The City will file a note and mortgage with the Broome County Real Property office which will require the applicant to maintain the purchased property as their principal place of residence for at least 5 years from the date of closing. The deferred loan will be completely forgiven for applicants who meet the terms of occupancy. If the terms of occupancy are not met because of sale, transfer, or death, then 100% of the loan will be due to the City.

The City of Binghamton currently contracts with HUD-designated housing counseling agency, Metro Interfaith Housing Services, to certify client readiness for homeownership. The agency administers the Binghamton Homeownership Academy which serves as a one stop resource and referral entity for homeowners. Metro Interfaith provides a variety of services to assist clients with homeownership including, but not limited to, facilitating homeownership classes, homeownership counseling, credit repair, household budgeting, and referrals. The agency completes a comprehensive intake including certifying household income and assets, reviewing credit history, evaluating household debt, and addressing barriers to successfully obtain and maintain homeownership. Once the intake process is complete an individual plan is developed to help the client achieve financial readiness to purchase a home. Metro Interfaith coordinates with the City to confirm the availability of CDBG assistance. Once confirmed, Metro Interfaith will transfer to City's Housing Caseworker completed intake packet and purchase contract for final review.

The City's Housing Caseworker completes third-party verification of income, documents household assets, and certifies applicant's household income and assets comply with current HUD guidelines. The caseworker reviews programmatic rules with applicant including, but not limited to, closing process; required contributions and payment of client; eligible uses of CDBG funding; required six month re-certification of income eligibility, occupancy and loan terms; and subordination policy. Applicants are provided up to one

year from the date of receiving their homeownership certificate to purchase a single family home within the City of Binghamton.

If you are interested in evaluating your options for homeownership, please contact the City's designee Metro Interfaith at 607-723-0723, 607-772-5415, or ftbh.bhoa@gmail.com

**The City reserves the right to evaluate exceptional needs of applicant and lender and approve other eligible uses of CDBG funds in accordance with HUD regulations.*

Effective: January 24, 2014