

First Generation Pilot Program

Program description: MaineHousing’s First Generation pilot program provides the opportunity for affordable homeownership to those whose families have historically not had the benefit of owning their own home. The program offers a below market fixed interest rate mortgage combined with a \$10,000 grant for down payment and closing cost assistance to help overcome one of the largest barriers to homeownership. An education component incorporated into the program provides valuable information about the entire home buying process, from house hunting through loan closing and further provides the first generation homebuyer with an introduction to the basic skills needed to become a successful long term home owner, such as creating a household budget, establishing an emergency reserve fund and understanding and planning home maintenance.

Interest Rate	Interest rate is reduced by 1% of MaineHousing’s regular First Home Loan base rate.				
First Time Homebuyer Requirement	All borrowers must be true First-time homebuyers having had NO previous ownership interest in a principal residence in any location at any time.				
Eligible Applicants	In addition to the First-Time Homebuyer requirement, at least one borrower must meet A or B below A. Borrower has never lived in a home owned by their biological parents or legal guardians during the borrower’s lifetime. B. At least one Borrower is an individual who was in foster care at some point during their childhood.				
Advantage	First Generation Borrowers will be eligible for a total of a \$10,000 grant credited at closing subject to completing a MaineHousing approved Financial Literacy class and a hoMEworks or MaineHousing approved homebuyer education (HBE) class. NOTE: Borrowers are required to take the Financial Literacy class before taking the hoMEworks approved HBE class.				
Income/Price Limits	Same as First Home Loan program				
Insurance/Guaranty	FHA, VA & RD Mobile Home Self-Insured (MHSI) Uninsured MaineHousing approved (Arch) Private Mortgage Insurance				
Required Borrower Contribution	Minimum Borrower Cash Contribution of 1% of the Loan amount is required.				
Education Requirements	Financial Literacy class approved by MaineHousing \$ 5,000 grant funds Homebuyer Education class approved by hoMEworks \$ 5,000 Advantage grant funds Total Grant funds: \$10,000 Total				
Mobile Home Self-Insured	First Generation borrowers will be eligible for the Mobile Home Self-Insured option at the current First Gen interest rate plus 1% add-on. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Program Option</th> <th>Rate Add-on</th> </tr> </thead> <tbody> <tr> <td>Mobile Home Self Insured</td> <td>1.00%</td> </tr> </tbody> </table>	Program Option	Rate Add-on	Mobile Home Self Insured	1.00%
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Salute ME, MHRI, 2-Point	The Salute ME, Mobile Home Replacement Initiative (MHRI) and 2-point program options cannot be combined with the First Gen program.				

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