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 MaineHousing $ 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.

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<th>Program Option</th>
<th>Rate Add-on</th>
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<tr>
<td>Mobile Home Self Insured</td>
<td>1.00%</td>
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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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8/29/23