

# First Home Program

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Affordable, fixed rate mortgages

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[mainehousing.org](http://mainehousing.org)



**MaineHousing**  
MAINE STATE HOUSING AUTHORITY

**We're proud to  
invest in you.**



**There are many reasons to  
consider a MaineHousing  
First Home Loan:**

Low fixed interest rates

No point and low point options

Options with little or no down payment

Down payment & closing cost assistance

Purchase price plus energy efficiency  
upgrades and other home improvements  
in one loan - one closing.

Payment protection if you become  
unemployed

**MaineHousing's First  
Home Loan Program  
makes it easier and  
more affordable to buy  
a home of your own.**

MaineHousing's low interest rates can save our average homebuyer tens of thousands of dollars over the full term of the loan. Over 55,000 people have achieved the dream of homeownership with a MaineHousing mortgage. Maybe it's time for a home of your own, too!

# Am I eligible?

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If you can answer “yes” to these questions, you may be eligible for a MaineHousing First Home Loan:

## Am I a first-time homebuyer? \*

If you have not held an ownership interest in your principal home within the past 3 years, you qualify as a first-time homebuyer. That means even if you’ve owned a home before, you may still be eligible.

\*Waived for qualified active duty, veterans, and retired military.

## Do I have enough income?

Although income limits apply, most Maine households are income eligible for the program. Limits vary depending on how many people live in your household and where you plan to buy your home.

For more information on income limits, see the back pocket of this brochure, or go to [mainehousing.org/homeloan](http://mainehousing.org/homeloan).

# What kind of home can I buy with a First Home Loan?

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**New and existing single-family homes**

**Owner-occupied, 2- to 4-unit apartment buildings**

**Condominiums**

**Permanently attached mobile homes manufactured within the last 20 years**

While purchase price limits apply, they vary by location. Most Maine homes are generally price eligible.

For more information on purchase price limits, see the back pocket of this brochure, or go to:

[mainehousing.org/homeloan](http://mainehousing.org/homeloan)

# Why consider a MaineHousing mortgage?

## Low, fixed interest rates

MaineHousing interest rates are usually lower than market interest rates for similar loans. Our interest rates are fixed, so your principal and interest payment will never increase.

Lower interest rates mean lower monthly payments. This can save the average homebuyer tens of thousands of dollars over the term of the loan.



Talk to a MaineHousing First Home Lender about which options are best for you. Find our current interest rates and a list of our participating lenders at [mainehousing.org/homeloan](http://mainehousing.org/homeloan).

## Down payment & closing cost assistance

MaineHousing offers help with down payment and closing costs. Closing costs include various expenses, such as the property appraisal, title search, credit check, and legal fees. Closing costs may also include escrowed taxes, insurance, and pre-paid interest. Check [mainehousing.org/homeloan](http://mainehousing.org/homeloan) for information on current offers.



## 30 year term mortgages

Most MaineHousing mortgages have a 30-year term. Terms for mobile homes are 20, 25, or 30 years depending on the age of the home.

## No points or low points

Discount points can be paid at closing to reduce your interest rate. Each point is equal to one percent of the loan amount.

MaineHousing offers both a zero point and a two point mortgage option. If you choose the two point mortgage option, you can pay for the points yourself or perhaps negotiate with the seller to pay for the points on your behalf.

My home is warm, comfortable, and peaceful. It's exactly what I want. MaineHousing's loan program allowed me to have a home of my own when my circumstances were less than ideal, but getting better.

- Suzanne, First Home Loan Borrower  
Orono

Always check [mainehousing.org/homeloan](http://mainehousing.org/homeloan) for our most recent program information!

## Little or no down payment

A MaineHousing loan with mortgage insurance can help you buy a home with little or no down payment. A down payment is the part of the home purchase price that you pay in cash. The amount of down payment depends on the mortgage insurance you choose:

Mortgage Insurer	Down Payment
Rural Development (RD)	0%
Department of Veterans Affairs	0%
Federal Housing Administration	3.5%
Private Mortgage Insurance (PMI)*	5%

\*Check MaineHousing's list of approved private mortgage insurance companies.

“Now we can paint the walls without asking permission, plant an orchard and garden filled with whatever we enjoy, and really get involved in our community.

Owning our home gives us a feeling of security and freedom that is otherwise not possible.”

- Tom, First Home Loan Borrower  
New Gloucester



## Include home improvements in your loan

If you want to purchase a home that needs repairs, our Purchase Plus Improvement option may help. This option

allows purchase and repairs to be rolled into one loan. If eligible, you may include between \$500 and \$35,000 for home improvements in your mortgage, as long as the cost of the home and the repairs do not exceed program purchase price limits.

Eligible improvements include energy efficiency upgrades, heating, plumbing, electrical systems, home additions, and general repairs.

## Payment protection for unemployment

A MaineHousing mortgage may include payment protection if you lose your job. Maine HOPE (HomeOwnership Protection for unEmployment) can help eligible borrowers by making four MaineHousing mortgage payments, including taxes and homeowners insurance. The amount paid becomes a junior mortgage lien, with no interest. The lien is repaid when you pay off your MaineHousing mortgage, sell the home, or stop using the home as your primary residence.



# Homebuyer Education

## Take a hoMEworks class

Homebuyers who use the Advantage down payment and closing cost assistance must take a hoMEworks-approved live or online homebuyer education class. However, anyone thinking of buying a home can benefit from taking the class.

A homebuyer education class is an easy, inexpensive way to learn more about financing a home. Homeowners who have taken the class say it helped them understand their options and make more informed buying decisions.

Over 100 hoMEworks-approved homebuyer education classes are held throughout Maine each year. Find the schedule at [mainehomeworks.org](http://mainehomeworks.org), or contact MaineHousing for more information.

## Include a contingency clause in your Purchase & Sale Agreement

A Purchase & Sale (P&S) is a contract signed with the owner of the house you want to buy, which says you promise to buy the house at a certain price within a specific amount of time.

Your P&S should include a mortgage contingency clause stating that your ability to buy the house depends on obtaining MaineHousing financing at the current interest rate. If your P&S lists this condition and if for some reason you are unable to get a MaineHousing loan, you will not be obligated to buy the house.

## Consider a home inspection

It's a good idea to include a home inspection in your P&S, too. A home inspection tells you if the house has any structural problems or needs repairs. It is not the same as an appraisal – an appraisal only evaluates the market value of the property. Your investment in a home is worth the cost of a home inspection.

If the house was built before 1978, you also may want an inspection by a licensed lead hazard risk assessor. Lead paint is common in older homes and can be a very serious health hazard, especially to children.

## Understand recapture

Because MaineHousing First Home mortgages are financed with mortgage revenue bonds, they are subject to a federal recapture provision. This means that if you sell the home within nine years of purchase and you make a profit and your income has increased substantially, the federal government may claim in taxes a portion of the money you saved with a MaineHousing mortgage.

IMPORTANT NOTE: MaineHousing will reimburse borrowers for any recapture tax paid to the IRS. For more details, see [mainehousing.org/recapture](http://mainehousing.org/recapture).



# How do I Apply?

## Contact a MaineHousing First Home Lender

MaineHousing offers mortgages through a statewide network of banks, credit unions, and mortgage companies designated as our First Home Lenders.

A MaineHousing First Home Lender will help determine what you can afford to pay, what mortgage options are right for you, and help complete your loan application.

Once you find the home you want and bring a copy of the Purchase & Sale Agreement to your lender, the lender will start to process your loan.

MaineHousing has helped Maine people own, rent, repair, and heat their homes since 1969. We are an independent quasi-state agency created to address unsafe, unsuitable, overcrowded, and unaffordable housing.

A \$1.8 billion financial institution, MaineHousing uses public-private partnerships to provide significant public benefit to Maine while using little state funding. We assist more than 90,000 Maine households a year and invest more than \$300 million in the Maine economy annually.



Maine State Housing Authority (MaineHousing) does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330-6046, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

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First Home Lender:

[mainehousing.org/mainehousinglenders](https://mainehousing.org/mainehousinglenders)

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