

Capital District FHLBNY First Home Club

What's the Program?

- Receive \$4 for every \$1 saved, up to \$7,500 toward the purchase of your first home. Need to save \$1,875 to receive the maximum match of \$7,500.
- Save for a minimum of 10 months up to a maximum of 24* months:

Months	Saving Amt	Months	Saving Amt	Months	Saving Amt
10	\$188	15	\$125	20	\$94
11	\$171	16	\$118	21	\$90
12	\$157	17	\$111	22	\$86
13	\$145	18	\$105	23	\$82
14	\$134	19	\$99	24	\$79

*Some Institutions have a maximum savings term of 18 months

- Use your savings and the matching funds for the down payment and closing costs associated with your home purchase. If you save the maximum, you will have \$9,325 (\$1,875 of your savings plus \$7,500 matching funds) toward your purchase.
- You can purchase a home anywhere in your bank's lending area. May include areas outside of the Capital District.
- The home is to be your principal residence for at least five years, or some of the funds may need to be repaid.
- You must open a dedicated savings account at a participating institution:

<p>First Niagara Bank M&T Bank NBT Bank Pioneer Savings SEFCU SUNMARK FCU CapCom FCU Capital Bank Glens Falls National Bank</p>

How do I qualify?

- Be a first time homebuyer. You are considered a first time buyer if:
 - An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).
 - A single parent who has only owned a principal residence with a former spouse while married.
 - An individual who is a displaced homemaker and has only owned a principal residence with a spouse.
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
 - An individual who has only owned a property that was not in compliance with state, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

- Earn less than the following amounts: (Effective April 2015)
 - \$62,640 if you are a 1 or 2 person household
 - \$72,036 if you are a household of three or more people

- Demonstrate a two year history of receiving a consistent and reliable stream of income derived through full time employment, a pension, disability award, Social Security, Individual Retirement Accounts, or other recurring sources.

- Be likely to qualify for a mortgage loan by the end of your savings period.

- Must not be a fully matriculated student in the six (6) months prior to enrollment. College enrolled Household members will only be considered in the following scenarios:
 - The individual is a dependent within the Household.
 - Demonstrate two years consistent reliable stream of income from full time employment while enrolled as a matriculated student (i.e. continuing education).

- Ownership of a vacant parcel of land does not constitute a principal residence. A Household that owns vacant land, on which it subsequently builds a home, will be eligible to receive FHC assistance towards the permanent financing.

What are my Steps?

1. Attend a Homebuyer Orientation.
2. Schedule One-on-One Assessment Session, before or at which you will:
 - Complete Registration Packet with all supporting documentation
 - Review credit to determine credit worthiness for a mortgage loan.
 - Review budget to determine savings plan.
3. Once file is complete and reviewed by the bank you have selected, you will be authorized to **open your savings account**.
4. **Save systematically** the agreed upon amount every month.
5. **Attend Spend Smart** workshops as soon as you are able, before or after opening your account.
6. Three-Five months prior to the **end of your savings period**:
 - Contact your housing counselor with questions and check upcoming Homebuyer Education Dates.
7. **Attend homebuyer education workshops** offered by counseling agency. Attendance at these classes is required -- you must present a certificate of completion of homebuyer education to your bank.
8. Two-Three months prior to the **end of your savings period**:
 - Return to your bank to obtain a mortgage pre-approval.
 - Begin working with your realtor to find a home.
 - Contact your housing counselor with any questions you have about the process.
8. At **loan closing**, the bank arranges to have the match funds available to pay for down payment and closing costs along with your mortgage funds. At closing, you will sign an agreement and mortgage to secure the match funds for five (5) years.
9. **Move into your new home!** The match funds turn into a grant with no expectation of repayment after five years.

Special Notes:

1. The bank you choose to save at is the bank from which you must obtain your mortgage.
2. The source of the matching funds is the Federal Home Loan Bank of New York.

Tips for Success:

Follow these four rules:

1. DO NOT skip a payment. Make sure the amount you have agreed to save is a comfortable amount for you.
2. DO NOT double up on payments. You can't skip a month and then contribute twice the amount the following month.
3. DO NOT deposit a lump sum amount. Income tax refunds, gifts, extra paychecks should go into a separate savings account.
4. DO NOT withdraw funds from your account. This is not an emergency savings account.

Stay in contact with your HomeOwnership Advisor. They can best advise you throughout the process. Good luck!

Frequently Asked Questions

Q. If I inherited or was given a home and now want to purchase my first home on my own, will I be considered a first time buyer?

A. Maybe. If this home was never your primary residence and you are no longer on the deed to the property, you can be considered a first time buyer.

Q. Can I fix my credit while I am saving?

A. Maybe. Major Credit problems must be addressed before you start the savings program- Collections, Judgments, Etc. Your homeownership advisor will assist you with a credit repair plan if necessary. Being enrolled in the program does not guarantee that you'll qualify for a mortgage at the end of the savings period. You will need approx. 12 months of good credit prior to obtaining a mortgage.

Q. Do I have to save for the maximum \$7,500 in matching funds?

A. No. The minimum amount to save is \$20 per month for 10 months.

Q. Do I need to make my deposit on the same day each month?

A. No. But, deposits are counted by the calendar month, so be sure that the agreed monthly savings amount occurs each month.

Q. Do I have to make my deposit at the same branch? Can I use direct deposit?

A. Make your deposit at any branch of your bank, or online. We encourage you to use direct deposit.

Q. Can I change banks after opening the account?

A. In rare circumstances. Understand the savings account and mortgage products offered by each bank before making a commitment to save at a participating bank.

Q. What if I miss a payment?

A. Continue to make your regular payment the following month. Do not double up payments the next month. Do not make a lump sum deposit. Depending on the circumstances, you may be asked to save an additional month at the end of your savings period (your 10 month program becomes an 11 month program). Contact your bank/credit union and homeownership advisor and document your explanation for the missed payment.

Q. Can I withdraw money from this account?

A. No. Do not withdraw funds during the savings period. You may be asked to start your savings period over. However, at the end of your savings period, you may use the funds in your IDA account for your good faith deposit or for bank application fees. Be sure to document the use of your funds toward the purchase of your home.

Q. What if my income changes during the savings period?

A. Your income eligibility is determined at the time you are enrolled in the program. While this income eligibility is done at the time of enrollment, typically this is re-verified at the time of purchase by tax returns for the year you were enrolled. However, if your income goes up during the savings period because there has been a change in your household size (i.e. you get married), you will be asked to provide information concerning your spouse's income at the time you enrolled in the program to see if you are still eligible based on your combined income at the time of enrollment.

Q. Are the matching funds considered a gift that I need to disclose as income for income tax purposes?

A. No. Because the matching funds are secured by a mortgage and must be repaid if you no longer occupy the home, the money is not considered a gift for tax purposes.

Q. What if I have finished my savings period, but have not found a house?

A. Continue to save at least \$20 per month in your account. You must purchase a home within 24 months of enrollment. No extensions will be allowed after 24 months, however, a household may re-enroll so long as they are still eligible.

Q. What if I don't need all the money I've saved for the loan closing. Can I get the rest of the matching funds as cash?

A. No. All matching funds are to be used as either down payment or closing costs associated with the purchase of your home. Also, the full amount of your savings goal must be used toward the purchase of the home to receive the maximum match. In other words, if you had planned to save \$1,875 to receive the \$7,500 match, but only end up contributing \$1,000 toward the purchase from your savings, you will only receive \$4,000 in matching funds (4 to 1 match).

Q. Can I still participate in the IDA program if I have already signed a contract on a home?

A. You must save for at least 10 months before closing on the purchase of a home.

Q. Can I have another savings account?

A. Yes, it is strongly encouraged. You'll need another account that you can access for emergency purposes and for lump sum deposits.