



First Homes is a non-profit subsidiary of the Rochester Area Foundation with the goal of assisting individuals and families in the purchase of homes.

Together with Three Rivers Community Action, First Homes is working to purchase, rehabilitate and re-sell previously foreclosed homes in Rochester through HUD's **Neighborhood Stabilization Program**. The goal of the program is to renovate properties that would otherwise become sources of abandonment and blight bringing down property values.

TO PURCHASE THIS HOME.... IS YOUR ANNUAL INCOME UNDER THIS AMOUNT?

Family Size	Olmsted County
1	\$44,950
2	\$51,350
3	\$57,750
4	\$64,200
5	\$69,350
6	\$74,500

Contact a Certified First Homes Lender. The lender completes the paperwork to determine eligibility and pre-qualifies buyers for a mortgage before a purchase agreement can be signed. Lenders inform buyers of First Homes' financial assistance that is available. Buyers must have a credit rating that allows them to qualify for a mortgage.

Wells Fargo

Pam Hatcher 507-533-7913

Home Federal

Bob Matthews 507-280-3444

Eastwood Bank

Kim Novotny 507-424-4660

Merchants Bank

Rhonda Merchlewitz 507-932-6767

Attend a Homestretch Class before Closing. Homebuyer education is required for all First Homes buyers. Dates, times and location of classes available from Bank Lenders or First Homes.

First Time Home Buyers, or buyers that have not owned in the last 3 years, may be eligible for:

First Time Homebuyer Mortgage Program (CASA) provided through the Minnesota Housing Finance Agency which provides up to \$4,500 to help borrowers with down payment or closing costs. This is an interest-free deferred loan that is repaid when you sell your property, refinance, transfer your property, when your property is no longer owner-occupied or when you've paid off your first mortgage.

Community Land Trust (CLT): First Homes pays the subsidy of the lot/land and buyers purchase and own the building and improvements. Homeowners are given a renewable lease to the lot on which the home is built. **By not paying for the lot, the homeowner pays considerably less on their mortgage, making the homes very affordable.** The CLT meets the loan to value (LTV) on the property required by lenders, usually eliminating Private Mortgage Insurance (PMI) premiums for buyers. When the homeowner chooses to sell the home, First Homes Community Land Trust staff assists the homeowner in selling the property. Homeowners receive the equity they have earned and half the appreciation in value of the home. The remainder of the appreciation stays with the home to ensure a supply of affordable homes in the greater SE MN area.

A minimum of \$500 earnest money is required when signing a purchase agreement; must be buyer's own funds. This is a requirement of Minnesota Housing financing programs.

Buyers are required to pay a minimum of 1% of their own funds (includes earnest \$) towards the purchase price and/or closing costs not including pre-pays.

Buyers do not have to be first time homebuyers, however the CLT home must be their primary home of residence. Therefore, if selling their current home the cash equity must go towards the CLT purchase to reduce the mortgage. At closing, buyers can have a maximum of \$5,000 in liquid assets.

Homes for Sale: At any given time, First Homes may have varied homes for sale in Rochester or the surrounding communities. Call to see what is available or watch the website www.firsthomes.org.

Once you are pre-qualified with a lender, you may elect to be put on a waiting list and contacted by First Homes when homes come available for purchase.

Additional questions can be answered by calling First Homes at 507-287-7117 or check out our website www.FirstHomes.org.