

First Time Homebuyers Program

A Step by Step Guide to Homeownership



This program is offered in partnership with



I WANT TO BUY MY OWN HOME. WHERE DO I START?

Step One: Submit a Pre-Application

Download the pre-application package from www.ofoinc.org/fthb or obtain one by contacting Opportunities for Otsego at 607.433.8000. Complete the pre-application in its entirety, gather the required documentation, and return all documents to:

Opportunities for Otsego
First Time Homebuyer Program
3 West Broadway, Oneonta, NY 13820

Once you receive confirmation of your eligibility to continue, you may move to Step Two.

Step Two: Oversight Committee

If you have a business relationship with, or are an employee of, or related to an employee of The City of Oneonta or Opportunities for Otsego, your file will be presented to an “Oversight Committee”, the decision-making body of the First Time Homebuyers Program. The Committee will decide if you are eligible to move forward in the program and/or if you need to complete the conflict of interest process.

Step Three: Homebuyer Education

All applicants must complete homebuyer education training. Group training is offered in Norwich or you can choose to take the course online. To register, contact Opportunities for Chenango, Quaranta Housing Services (QHS) at 607.336.7114 or visit www.quarantahousing.org/fthb.php. Applicants are responsible for class registration fees.

The QHS First Time Homebuyer Pre-Purchase Group education 9 hour class includes the following topics:

- Are You Ready to Buy a Home
- Getting a Mortgage Loan
- Shopping for a Home
- Keeping Your Home and Managing Your Finances

You are expected to attend all 9 hours of the education classes and pass the final exam with a score of 70% or better in order to receive a Certificate of Completion and to be eligible for financial assistance, mortgage services, and/or reimbursement for the course through the First Time Homebuyer program.

Step Four: Homebuyer Counseling

After completing Homebuyer Education, you will meet one-on-one with a Housing Counselor. During these appointments you will be provided a review of your credit score at no charge, which will help determine how soon you can become a homeowner. The Housing Counselor will perform an Affordability Analysis to determine how much of a mortgage you may be able to comfortably afford based on your income and debt. The Housing Counselor will review various lender programs for your first mortgage, the pre-approval process, and if you qualify for any additional grants or loan products. The amount of the required, minimum applicant contribution will depend on the particular grant program you participate in, but the quicker you start to save the better. You should expect to contribute a minimum of \$1,000 towards the purchase of the home.

NOTE: If you have credit or budgeting issues that need to be addressed, you have the option of enrolling in the Quaranta Housing Services (QHS) Financial Capability and Coaching program which will teach you valuable skills that will enable you to prepare for future home ownership.

Step Five: Selecting a Lender

The Housing Counselor will work with you to help you select a lender that is most appropriate for your particular situation. Opportunities for Otsego will submit a letter to the lender you select stating that you are applying for financial assistance through the First Time Homebuyers Program. At this point, you will submit a request to your lender for a Pre-Approval for the maximum loan for which you qualify (if you need help, contact your Housing Counselor).

Step Six: Shopping for Your Home

Once you know how much you can afford, you may begin shopping for a home. You may either select a Real Estate Buyer's Agent and/or look at homes "For Sale by Owner". Once you have found a house you think you might want to purchase, you can then make an offer on the house you have selected. Your Real Estate Agent and/or Housing Counselor can assist you with preparing the contract to purchase the home. **Purchasers through the First Time Homebuyers program must include the following contingencies in the purchase contract:**

- **Satisfactory home inspection by The City of Oneonta First Time Homebuyer program**
- **Purchaser obtaining approval of financial assistance through The City of Oneonta First Time Homebuyer program**

You may choose to share the unsigned contract with your Housing Counselor to ensure all recommended contingencies are included before signing. Then you and the seller can sign the contract. Depending on individual financing options, there may be additional paperwork that is necessary for the seller and buyer to sign. Upon confirmation of a signed contract by the seller, you must contact Opportunities for Otsego to set up the First Time Homebuyer inspection.

Step Seven: Home Inspection

Opportunities for Otsego will schedule a detailed inspection of the property by an agency Auditor and the City of Oneonta Code Enforcement Officer to make certain that the house qualifies for the program. The Auditor will prepare a report of the condition of the home you have selected. The report will include a work scope, summarizing necessary repairs to address identified health and safety issues, estimated cost of the repairs, and the need for any other required inspections. **The First Time Homebuyer inspection does not take the place of a certified home inspection. We strongly suggest that you invest in a home inspection.**

Step Eight: Oversight Committee Review

Opportunities for Otsego will present the findings of the inspection, work scope, and all other pertinent documentation to The City of Oneonta and the First Time Homebuyer Oversight Committee. If the home is denied by the Oversight Committee, you should continue looking at other homes in your price range. If the home is approved by the Oversight Committee, you will be notified and be issued a commitment letter from The City of Oneonta including the final loan amount and requirements.

Step Eight: Apply for a Mortgage

Upon receipt of a signed purchase agreement, and approval from the Oversight Committee, you can then make full application with your mortgage lender. Once the lender has received a market value appraisal and done the appropriate underwriting regarding your personal information and the home you are purchasing, you will receive a Commitment letter from your lender including a break-out of closing costs. This will determine that you will, in fact, receive the amount of loan needed for this purchase and will list any further stipulations that must be addressed in order to receive a “Clear to Close” from your lender.

Step Nine: Selecting a Contractor

Prior to closing on your home, an Auditor from Opportunities for Otsego will assist you in obtaining and reviewing estimates from contractors. The Auditor will also determine your eligibility for Weatherization and/or NYSERDA-administered programs (e.g. Green Jobs Green New York, EmPower New York, Assisted Home Performance with Energy Star, or Home Performance with Energy Star), which may provide additional funds to complete items identified in the work scope.

Step Ten: Legal Documentation

Once you have received a “Clear to Close” from your lender, your attorney will begin work on title searches and legal documentation as needed. The Bank’s Attorney will prepare the 1st Note and Mortgage and The City of Oneonta will order preparation of the Note and Mortgage for the First Time Homebuyer deferred loan. Once all the paperwork has been completed to everyone’s satisfaction, a closing date will be set.

Step Eleven: Scheduling the Closing

The Attorneys schedule closing after Title paperwork is complete. You should request a final walk-through of the home right before closing with your Realtor. Check everything in the home from top to bottom. If something is not as it should be, per the purchase agreement, the issue should be rectified immediately prior to closing on the home.

One or two days prior to the closing date, you will call to schedule an appointment with The City of Oneonta to review the attorney generated HUD-1 and to sign you’re the First Time Homebuyer documents, note and mortgage.

FINAL STEP: You close on the purchase of your home!

CONGRATULATIONS! Now you are ready to move into your new home.

Now you will need to put to work all of your budgeting skills you’ve learned in the program. It’s very important that you stay on track within your budget with the expense of your new home.