



# 8 Essential Grants for First-Time Homebuyers

## YOUR GUIDE TO SECURING HOMEOWNERSHIP ASSISTANCE



### INTRODUCTION

Becoming a homeowner is a significant milestone, but it can also be financially challenging—especially for first-time buyers. Fortunately, there are grant programs designed to make this journey more affordable. Unlike loans, which need to be repaid with interest, grants offer funds that can often be used for down payments, closing costs, or even renovations. This guide will introduce you to some of the most valuable grants available to help you secure your dream home.

### UNDERSTANDING GRANTS VS. LOANS

Before diving into the details, it's crucial to understand the difference between grants and loans. While loans require repayment, often with interest, grants generally do not need to be repaid—making them a more attractive option for first-time buyers. However, some grants may come with certain conditions, such as staying in the home for a minimum number of years. Exploring these options can open doors to homeownership that may have seemed out of reach.

#### NATIONAL HOMEBUYERS FUND (NHF)

- **Overview:** The NHF is a nationwide grant program designed to help first-time homebuyers with down payment and closing cost assistance, making homeownership more accessible for moderate-income individuals.
- **Benefits:** Up to 5% of the loan amount for down payment or closing costs.
- **Eligibility Criteria:** Requirements related to income, credit score, and first-time buyer status.
- **Application Process:** Step-by-step guide to applying for the NHF.

#### CHASE HOMEBUYER GRANT

- **Overview:** The Chase Homebuyer Grant provides targeted support to low-to-moderate-income first-time buyers, helping with upfront costs like down payments and closing fees.
- **Benefits:** Grant up to \$5,000 for down payment or closing costs.
- **Eligibility Criteria:** Information on income requirements and property type.
- **Application Process:** Tips and requirements for applying through Chase.

#### HOMEReady & HOME POSSIBLE CREDITS

- **Overview:** Fannie Mae's HomeReady and Freddie Mac's Home Possible programs are designed to offer first-time buyers flexible credit requirements and low down payment options to make homeownership more achievable.
- **Benefits:** Low down payment options (as low as 3%), with flexibility in credit requirements.
- **Eligibility Criteria:** Explain specific income limits, area requirements, and borrower education courses.
- **Application Process:** Tips on finding lenders who offer HomeReady or Home Possible loans.

#### BANK OF AMERICA GRANT PROGRAMS

- **Overview:** Bank of America offers two major grants—the "America's Home Grant" and the "Down Payment Grant"—to assist first-time buyers with closing costs and down payments, focusing on low-to-moderate-income applicants.
- **Benefits:** Grants up to \$7,500 for closing costs and up to \$10,000 for down payments.
- **Eligibility Criteria:** Requirements based on location, income, and credit.
- **Application Process:** Step-by-step guide, along with tips to enhance chances of approval.

#### WELLS FARGO GRANT PROGRAMS

- **Overview:** Wells Fargo offers multiple grant initiatives, such as NeighborhoodLIFT, which aim to assist first-time buyers with significant down payment aid in specific communities.
- **Benefits:** Up to \$15,000 for down payment assistance, depending on the location.
- **Eligibility Criteria:** Geographic and income-based eligibility requirements.
- **Application Process:** How to access these funds through Wells Fargo and partnering organizations.

#### GOOD NEIGHBOR NEXT DOOR PROGRAM

- **Overview:** This HUD program provides home-buying incentives, such as substantial discounts, for eligible public service workers purchasing homes in designated revitalization areas.
- **Benefits:** Up to 50% discount on homes in revitalization areas.
- **Eligibility Criteria:** Details about eligible professions, property requirements, and purchase processes.
- **Application Process:** Step-by-step instructions, including the bidding process.



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### HOMEPath READY BUYER PROGRAM

- **Overview:** Fannie Mae's HomePath Ready Buyer Program offers special assistance to first-time buyers purchasing foreclosed Fannie Mae properties, making it easier to cover closing costs.
- **Benefits:** Up to 3% closing cost assistance.
- **Eligibility Criteria:** Requirements such as completing an online homebuyer education course.
- **Application Process:** Detailed guide on searching for HomePath properties and applying for the program.

### USDA RURAL DEVELOPMENT LOANS

- **Overview:** USDA loans support low-to-moderate-income buyers by offering zero-down payment mortgage options for homes in eligible rural areas, with some grant opportunities available.
- **Benefits:** Zero down payment options, with potential for subsidies and grants.
- **Eligibility Criteria:** Geographic, income, and credit score requirements.
- **Application Process:** Steps to apply, including income verification and property appraisal.

Achieving homeownership is a monumental step, especially for first-time buyers. While it may seem daunting, the support offered by various grant programs can significantly reduce the financial barriers to owning a home. Remember, these programs are specifically designed to help people like you. Don't let perceived obstacles, such as lack of savings or high down payments, deter you from pursuing your dream. By leveraging these grants, you're not only making a smart financial move but also investing in long-term stability and personal growth. Stay motivated, research the options that align with your needs, and take full advantage of the opportunities available to you.

### NEXT STEPS

Now that you're familiar with some of the essential grant programs for first-time homebuyers, it's time to take action. Here's how to start the application process:

1. **Research Eligibility:** Begin by reviewing the eligibility criteria for each grant program that interests you. Consider factors like income limits, credit score requirements, and geographic restrictions.
2. **Gather Documentation:** Prepare key documents, including proof of income, tax returns, bank statements, credit reports, and identification. These documents will be needed to verify eligibility.
3. **Complete Homebuyer Education:** Some programs require you to complete an approved homebuyer education course. These courses can offer valuable insights and enhance your understanding of the buying process.
4. **Contact a Lender or Grant Administrator:** Reach out to participating lenders or the organization administering the grant to discuss your options. They can guide you through the next steps and help you submit your application correctly.
5. **Submit Your Application:** Once you've identified the right grant, fill out and submit your application. Make sure it's accurate and complete to avoid delays.
6. **Prepare for Home Search:** After securing funding approval, start looking for homes that fit your budget and meet grant program requirements. Work closely with a real estate agent who understands these programs.

By following these steps, you'll be well on your way to becoming a homeowner and making the most of the available assistance. Don't hesitate—start your journey today!