FTHB BULLETIN #2 (FY 2014-2015)

TO: Participating FTHB Lenders
FROM: Kari H’Orvath - EDA Housing
DATE: May 6, 2015
SUBJECT: Proposed Changes to FTHB Program

The Riverside County EDA First Time Home Buyer (FTHB) Program is funded through the Home Investment Partnerships (HOME) Program administered by the U.S. Department of Housing and Urban Development. HOME provides formula grants to states and localities designed exclusively to create affordable housing for low-income households. Despite being the largest Federal block grant to state and local governments, HOME funding has been reduced by over 50 percent since the 2010-11 fiscal year.

In response to funding cuts, EDA has re-examined its strategy for the FTHB program and has proposed changes that are currently under review. These proposed changes include a loan term in excess of 30 years with deferred payment of the principal and interest. The purpose of these changes is to sustain future funding for the County’s FTHB program and respond to the growing housing needs in our communities.

Changes to the FTHB program are anticipated to occur during the 2015-16 fiscal year. When approved, these changes will take into effect immediately for applications that have not been received. Existing loan terms will apply to applications submitted to EDA and in process prior to the changes taking effect. Advanced notice of these changes is provided as a courtesy to allow loan officers sufficient time to notify their qualified buyers who are in the process of purchasing a home. Funding is available and is on a first-come, first-served basis.

For more information: If you have any questions or would like more information, contact the EDA Housing staff at (951) 343-5469 or www.rchomelink.com.

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