The City of Cedar Rapids’ **First Time Home Buyer (FTHB) Program** provides up to $14,999 as a forgivable loan to eligible households to assist with down payment and closing costs. To be eligible, participants must meet four main requirements:

- Be a First Time Buyer
- Be Income Eligible—including income, assets, and debt calculations
- Purchase an Eligible Property
- Secure Acceptable Mortgage Financing

Assistance is provided as a 5-year forgivable mortgage. Buyers must reside in the house for the 5-year term and meet annual monitoring requirements.

### First-Time Buyer Criteria

Buyers must be first-time buyers, or cannot have owned their principal residence for at least 3 years prior to application. Mobile home owners are considered first-time buyers for this program. There are two special circumstances where the 3-year requirement can be waived:

- Displaced Homemaker following divorce
- Single Parent following divorce

Contact City staff for details about these two circumstances.

Additional program guidelines apply. More information can be found at [www.CityofCR.com/FTHB](http://www.CityofCR.com/FTHB)

Community Development Department  
Housing Services  
City Hall—First Floor  
101 First Street SE  
Cedar Rapids, IA 52401

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Homeownership Program Coordinator  
(319) 286-5874  
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**Income Eligibility**
Income is based on the whole household, and uses gross annual income calculations. Income maximums are shown in the chart below.

**Housing and Debt to Income Ratios:**
Households must meet maximum housing and total debt to income ratios. There are two sets of ratios, based on household income.
- Above 50% AMI:
  - 31% housing cost
  - 43% total debt to income
- At or below 50% AMI:
  - 28% housing cost
  - 38% total debt to income

AMI calculations available on the program website.

**Mortgage Criteria**
Mortgages must meet “Qualified Mortgage” criteria and meet additional requirements, including no non-occupying co-signers. ARM’s (adjustable rate mortgages) must be fixed for at least 10 years and meet other terms.

**Asset Eligibility**
There are several requirements regarding assets (checking, savings, etc.).

**Maximum:** $25,000 in non-retirement assets. Amounts above this must be put toward down payment.

**Minimum:** $1,000 shown in statements for two months prior to pre-qualification.

**Down Payment:** Participants are required to contribute their own down payment. The funds must be available in assets at pre-qualification, in addition to the $1,000 minimum. The amount varies based upon total non-retirement assets:
- Assets $7,500 or less $500*
- $7,501—$10,000 $1,000
- $10,001—$15,000 $2,000
- $15,001—$25,000 $3,000

*Households at or below 50% AMI are capped at $500, regardless of assets.

**Negative Balances:** Checking and savings accounts must have positive balances for the two months prior to pre-qualification. Negative balances may delay the pre-qualification process.

**Property Requirements**
- Within the City of Cedar Rapids limits
- Outside 100-year flood plain
- Homes must be owner-occupied or vacant (not a current rental property with tenants).
- Single-family and condo units are eligible; mobile home purchases are not eligible.
- Homes will be inspected by City staff and must comply with Housing Quality Standards, based on health and safety requirements.
- The purchase price of homes may not exceed $164,000 for a single family dwelling (amount updated annually and subject to change).

Buyers are encouraged to use a Realtor/Real Estate Agent and get a whole house inspection to make an informed decision.

**Maximum Total Household Income—Annual Gross (Pre-Tax Amount)**

<table>
<thead>
<tr>
<th>1 person</th>
<th>2 person</th>
<th>3 person</th>
<th>4 person</th>
<th>5 person</th>
<th>6 person</th>
<th>7 person</th>
<th>8 person</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,050</td>
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<td>$64,350</td>
<td>$71,450</td>
<td>$77,200</td>
<td>$82,900</td>
<td>$88,600</td>
<td>$94,350</td>
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</tbody>
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**Effective 6/28/2019. Contact staff for larger household size limits.**