



R.I. HOUSING: First-time home buyers can get down-payment help

Program gets \$6 million to offer \$7,500 in assistance

By: Christine Dunn Journal Staff Writer

PROVIDENCE - Rhode Island Housing on Friday announced the relaunch of its popular First Down program, which provides \$7,500 in down-payment assistance to eligible first time home buyers in six communities: Providence, Pawtucket, Woonsocket, Warwick, Cranston and East Providence.

These communities were identified as most severely affected by the foreclosure crisis. First Down is being financed through the state's share of federal Hardest Hit Fund money.

When Rhode Island Housing launched the First Down program in May, it allocated \$4 million for the program, but due to its popularity, another \$6 million has been made available. The \$10-million commitment would assist an estimated 1,333 participants.

Between May 12 and Sept. 30, 280 First Down loans were closed, and another 717 buyers had registered for the program.

The down-payment assistance is a loan that is forgivable after five years of owning the home, as long as the home is maintained as a primary residence. The maximum loan limit is \$424,100 for a one- to four-family house or eligible condominium. If a sale, refinance or transfer occurs in the first five years, a portion of the \$7,500 would need to be repaid.

To qualify, applicants must be first-time home buyers purchasing an eligible dwelling, and have an annual household income below \$87,360 for a one or two-person household or \$101,920 for a larger household.

A Rhode Island Housing funded first mortgage must be obtained through Rhode Island Housing or a participating lender. According to data from the agency, the average First Down home buyer is 35 years old, has a credit score of 695, an annual household income of \$52,780 and is buying a house for \$196,000.

Most of the group, 74 percent, have purchased single-family houses, and 32 percent of participants are minorities; 41 percent have been female heads of a household. Most of the loans, 85 percent, have been made through participating lenders.

The share of closed loans by community: Providence, 24 percent; Warwick, 22 percent; Pawtucket, 20 percent; Cranston, 16 percent; East Providence, 10 percent; and Woonsocket, 8 percent. For more information, contact Rhode Island Housing at (401) 457-1157 or visit FirstDownRI.org.