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NJHMFA ANNOUNCES STATEWIDE DOWN PAYMENT ASSISTANCE PROGRAM FOR FIRST-TIME HOMEBUYERS

Program Provides \$10,000 to Prospective Purchasers

Trenton, NJ – The New Jersey Housing and Mortgage Finance Agency (NJHMFA) announced today the launch of a state-wide, first-time homebuyer down payment assistance program anticipated to help 1,000 households meet their goal of homeownership in New Jersey. Funded through the NJHMFA, qualified homebuyers can now get \$10,000 to make their home buying dreams a reality with the Down Payment Assistance Program (DPA).

“Saving for a home can be difficult, especially for first-time homebuyers,” said Lt. Governor Sheila Y. Oliver, Commissioner of the New Jersey Department of Community Affairs (DCA) and Chair of the NJHFMA board. “Today, we are putting homeownership within reach of hundreds of households across New Jersey by providing the assistance needed in buying a first home.”

The assistance program is an interest-free, five-year forgivable second loan with no monthly payment. Funds can be used to assist the prospective homebuyer with down payment and closing costs. The assistance must be paired with an NJHMFA first mortgage loan. The first mortgage loan is a competitive 30-year, fixed-rate government-insured loan, originated through a participating lender. Certain restrictions such as maximum household income and purchase price limits apply.

For many first-time homebuyers, the monthly mortgage payment on their first home may be comparable to their current rental payment, demonstrating that the income needed to purchase a home is not in many cases the barrier to homeownership. The biggest challenge for these buyers is accumulating the funds needed to cover the down payment and closing costs. The DPA program helps provide the resources needed to complete the purchase. The \$10,000 helps to reduce the strain on the homebuyers existing financial resources, translates into immediate equity and helps to ensure a stable footing on their entry into homeownership.

“First time homebuyer programs have a documented positive economic impact,” said NJHMFA Executive Director Charles A. Richman. “Some housing units currently rented will become owner occupied. The inventory of vacant units is reduced as homes are sold more quickly. Also, as owners of existing homes sell to first time buyers, a “ripple” effect occurs leading to new housing construction.”

For additional information on the program, including the list of participating lenders, please visit www.theroadhomenj.com.

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