



First Home Club

Achieve Your Dream of Owning a Home While Earning 4x Your Savings with our First Home Club Program!

First Home Club **FAQs**

Struggling to save for a home of your own? Just can't set aside enough from your current pay? Nassau Financial's First Home Club program offers qualified members up to \$7,500 in matching funds toward the purchase of your first home. Below you will find frequently asked questions about the program.

- What is the First Home Club program?** The First Home Club program is a first-time homebuyers program that provides subsidized funds to assist households earning 80% or less of area median income (AMI) and helps overcome the financial difficulties of purchasing a home. The program provides households with a \$4 match for every \$1 of savings (a grant of up to \$7,500) that they systematically deposit in their dedicated account with Nassau Financial Federal Credit Union (Nassau Financial).
- What are the First Home Club funds used for?** The matching funds are to be used for down payment and closing cost assistance.
- Who is qualified to receive First Home Club funds?** A prospective household must meet the following criteria to participate in this program:
 - Be a first-time homebuyer. Based upon the U.S. Department of Housing and Urban Development ("HUD") a first-time homebuyers definition is an individual who meets any of the following criteria:
 - An individual who has had no ownership in a principal residence during the three-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, he/she is considered a first-time homebuyer).
 - A single parent who has only owned a principal residence with a former spouse while married.
 - An individual who is a displaced homemaker and has only owned a principal residence with a spouse.
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
 - Reside in and purchase a home within the approved area (*New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands*).
 - Have a household income of 80% or less of the AMI as defined in the program guidelines.
 - Open a dedicated savings account at Nassau Financial and agree to save on a monthly basis for a period of 10-24 months
 - Agree to complete a homeownership counseling program, which is a minimum of a six hour course.

4. **Where do the funds for the First Home Club come from?** First Home Club is completely funded by the profits of the Federal Home Loan Bank and does not rely on taxpayer assistance.
5. **What type of property must the household have in order to be eligible?** One to four-family homes, co-ops, condos, and mobile homes attached to a permanent foundation within the approved area are eligible.
6. **What if a household's income increases over the program's allowable income level threshold after the household has been approved to participate in the program?** Once a household becomes a qualified participant in the program, the income level that was submitted at time of enrollment will be locked-in through the term of the subsidized grant.
7. **What if a homeowner wishes to enroll in the First Home Club program but has previously owned a home?** If it has been at least three years since the homeowner had owned a home, then he/she may be eligible to participate in the program. If the household is that of a single parent or a displaced homemaker (a previously owned home has been sold due to dissolution of a household) the three-year rule is waived.
8. **What if a homeowner requires a co-borrower in order to obtain a mortgage from Nassau Financial however, the co-borrower either currently owns a home or has income that exceeds 80% of the AMI (Area Median Income)?** As long as the co-borrower will not be residing at the mortgaged property, the household will still qualify for the First Home Club subsidy.
9. **What if a household currently resides outside of the approved area, but wishes to purchase a home within the district boundaries?** The household must reside and purchase a home within the district boundaries in order to receive the subsidy.
10. **Once the household receives the grant, how long will Nassau Financial have interest in the property?** There is a five-year retention period which starts on the settlement date and requires Nassau Financial to place a lien on the property.
11. **If the homeowner sells the house before the end of the five-year retention period, will the subsidy need to be repaid?** The household must remain in compliance with First Home Club regulations for five years. In the event that the property is sold to a household that is not income eligible for the subsidy, a pro-rata amount of the subsidy may be requested. The lien is forgiven at a rate of 1/60th per month for properties that remain in use as agreed upon in the First Home Club subordinate mortgage.
12. **Can the First Home Club subsidized funds be used with other grant programs?** Yes, the funds may also be used in conjunction with other grant programs including the Affordable Housing Program (AHP); however the combined First Home Club and AHP subsidy funds may not exceed \$20,000 per household. If the use of the First Home Club subsidy was not originally approved when the AHP application was scored, the application will have to be rescored reflecting the use of the First Home Club subsidy to determine the effect of the ranking.
13. **Why, if the maximum First Home Club grant assistance to a household is \$8,000 (up to \$7,500 for down payment and closing costs and up to \$500 to defray non-profit housing agency counseling costs) is the First Home Club savings account equity goal \$1,875 rather than \$2,000?** The down payment and closing cost subsidy of up to \$7,500 is directly related to the purchase of a particular home. Homeownership counseling is a First Home Club programmatic requirement for which up to \$500 may be granted to defray the costs of the non-profit housing agency providing the counseling and associated services for a First Home Club household which has closed on a home.