

R.I. Housing launches new home loan programs

July 25, 2017

By Amanda Levenson, Valley Breeze Contributor

This spring, Rhode Island Housing launched two new loan programs, First Down and RI-Refi, to help home buyers and homeowners in the state.

First Down offers \$7,500 in down payment assistance for eligible first-time home buyers purchasing a home in one of the communities hardest hit by the foreclosure crisis: Pawtucket, Providence, and Woonsocket, Providence, Warwick, Cranston and East Providence.

RI-Refi assists underwater homeowners, those who owe more than the current market value of their home, by allowing qualified homeowners to refinance into a new home loan based on the home's current market value. Eligible applicants can get up to \$75,000 to decrease the amount owed on any mortgage, and receive a three-year forgiveness period.

“I think this is a real game changer for the families that qualify for these programs. For some of them, it's the difference between being in a house and not,” said Emily Martineau, director of external communications for Rhode Island Housing.

Funded by the U.S. Department of the Treasury's Hardest Hit Fund program, First Down has already seen about 200 registrations, according to Martineau.

The goal, she said, is to make homeownership accessible for people who it may otherwise seem out of reach.

Certain qualifications must be met to be eligible for the program. Applicants must be a first-time home buyer purchasing a one- to four-family house or condominium, obtain a Rhode Island Housing-funded first mortgage through a participating lender or Rhode Island Housing, and occupy the home as a primary residence.

They must also be below Rhode Island Housing loan and income limits, which are a total annual household income of \$87,360 for a one- to two-person household or \$101,920 for a 3-plus person household.

RI-Refi is also subsidized by the U.S. Department of the Treasury's Hardest Hit Fund program, and has had about 50 applicants to date.

To qualify, applicants must live in the home as their primary residence, be current on their mortgage for the last 12 months, qualify for a new Rhode Island Housing first mortgage, have a minimum credit score of 640, and owe more than 110 percent of a home's current value.

The maximum loan limit allowed is \$424,100 for a one- to four-family home or eligible condominium.

The two programs are another way Rhode Island Housing is trying to achieve its mission, said Martineau.

“We work to create homes and help people find homes, and right now our state is facing a pretty serious housing shortage, so helping people access home ownership is one way of solving that,” she said.

For more information, visit www.ri-refi.org and www.rhodeislandhousing.org