



First Homes is a non-profit subsidiary of the Rochester Area Foundation with the goal of assisting individuals and families in the purchase of homes. **First Homes offers homebuyers financial assistance to reduce monthly mortgage payments, making home ownership affordable. In some cases the monthly mortgage payments for the homes are comparable to rent payment.**

You can be a new homeowner....follow these 1, 2, 3 steps:

1. Is your income under the limits below based on family size?

Counties relate to where the buyer would be purchasing the home not where they are currently living.

First Homes Income Limits

Family Size	Rochester area	Balance of State
1 to 2 Persons	\$81,700	\$77,400
3 Persons +	\$93,900	\$89,000
	Includes Olmsted & Dodge Counties	

2. Contact a Mortgage Loan Officer below that can process First Homes CLT loans.

The lender completes the paperwork to determine eligibility and pre-qualifies buyers for a mortgage before a purchase agreement can be signed. Lenders inform buyers of First Homes financial assistance that is available. Buyers must have a credit rating that allows them to qualify for a mortgage.

Home Federal (Crossroads Branch):

Pam Bleifus 507- 226-0854
 NMLSR ID# 404372
pamela.bleifus@hfsb.com

Merchants Bank: St. Charles

Rhonda Merchlewitz 507-932-6767
 NMLSR ID# 411295
rlmerchlewitz@merchantsbank.com

Bremer Bank (Broadway South):

Kim Novotny 507-424-4660
 NMLSR ID# 756172
kknovotny@bremer.com

US Bank Home Mortgage

Martella DeYoung 507-285-7873
 NMLS ID# 832772
martella.deyoung@usbank.com

Think Bank (West Circle Branch):

Tracey Beyer 507-536-5911
 NMLSR ID# 914896
tbeyer@thinkbank.com

Think Bank (IBM Location):

Nicole Williamson 507-536-5919
 NMLSR ID# 562329
nwilliamson@thinkbank.com

First Farmers & Merchants Bank—Cannon Falls

Michele (Shelly) Zimmerman 507-263-1919
 NMLSR ID# 501121
michelezimmerman@ffmbank.com

3. Attend a Homestretch Class before Closing, required by First Homes buyers.

Dates, times and location of classes available from Bank Lenders or First Homes.

***** **Financial Assistance Available for Qualified Buyers** *****

***First Time Home Buyers, or buyers that have not owned in the last 3 years, are eligible for:** First Time Homebuyer “Start Up” Funds through the Minnesota Housing Finance Agency which provides down payment and/or closing costs. This is a 0% interest-free deferred loan that is repaid when you sell your property; transfer your property or when you've paid off your first mortgage.

***First Homes - Gap Loan**

0% Interest Deferred Loan up to \$5,000 to reduce the buyer's 1st mortgage.

*Deferred and Gap Loans are due and payable upon sale of the home, refinance or at the end of the term of first mortgage. Certified Lenders determine gap amount and eligibility for Deferred Loans.

Community Land Trust (CLT)

First Homes pays the subsidy of the lot/land and buyers purchase and own the buildings and improvements. Homeowners are given a renewable lease to the lot which the home is built.

By not paying for the lot, the homeowner pays considerably less on their mortgage, making the homes very affordable. The bank evaluates the appraised value at the time of purchase.

The CLT meets the loan to value (LTV) on the property required by lenders, usually eliminating Private Mortgage Insurance (PMI) premiums for buyers.

When the homeowner chooses to sell the home, First Homes Community Land Trust staff assists the homeowner in selling the property. Homeowners receive the equity they have earned and half the appreciation in value of the home. The remainder of the appreciation stays with the home to ensure a supply of affordable homes in the greater SE MN area.

***** **First Homes Buyer Requirements** *****

When signing a purchase agreement, buyers must pay a minimum of \$500 earnest money from their own funds which go towards the purchase of the home.

Buyers are required to pay a minimum of 1% of the loan amount from their own funds (includes earnest \$) towards the purchase price and/or closing costs not including pre-pays.

Homeowners pay a monthly lease; \$25/month. Lease schedule starts new on each sale.

Buyers do not have to be first time homebuyers, however the CLT home must be their primary home of residence. Therefore, check with your lender if selling your current home.

MN Housing has a “Step Up” Program for buyers that are not 1st homebuyers. Ask your lender for details.

Homes for Sale: At any given time, First Homes may have varied homes for sale in Rochester or the surrounding communities. Call to see what is available or watch the website www.firsthomes.org.

Once you are pre-qualified with a lender, you may elect to be put on a waiting list and contacted by First Homes when homes come available for purchase.

Additional questions can be answered by calling First Homes office at 507-287-7117 or check out our website www.FirstHomes.org.