



CITY OF MIAMI GARDENS FLORIDA HOMEBUYER OPPORTUNITY PROGRAM

This strategy is designed in response to the legislative proviso requiring SHIP local governments to expend 2009-2010 funds to ensure that residents of the state derive the maximum possible economic benefit from the federal first time homebuyer tax credit created through the American Recovery and Reinvestment Act of 2009 by providing subordinate down payment assistance loans to first time homebuyers for owner occupied primary residences that can be repaid by the income tax refund the homebuyer is entitled to under the First Time Homebuyer Credit.

Eligible Applicants:

- Must not have owned a home in the last three years
- Must occupy the residence for the term of the loan
- Must be a resident alien

Eligible Properties:

- Must be located in the City of Miami Gardens
- Single Family, Townhomes, Condominiums
- Property must meet Housing Quality Standards

Income Categories to be served:

- Up to \$75,000 for single taxpayers
- Up to \$150,000 for joint filers

Maximum Award:

- Amount shall not exceed 10% of the purchase price or \$8,000 whichever is less.

Terms, Recapture and Default:

- The City of Miami Gardens will provide the award in form of a deferred payment loan, accruing interest at an annual rate of six percent (6%) from the closing date of the loan.
- The loan will be secured by a Subordinate Mortgage Lien recorded on the home being purchased.
- If repayment is made by the homebuyer within 18 months after the closing date of the loan, all interest charges will be waived and the City will satisfy the Mortgage Lien.
- If repayment is not received within the 18 months, the balance due will continue to accrue interest at an annual rate of six percent (6%).
- Beginning the 37th month, if payment has not been received, the homeowner will be required to begin making monthly payments towards the balance due.
- The payments will consist of principal and interest and will be based on a 60 month amortization schedule.
- If the homeowner ceases to own or occupy the home as their primary residence, the City will consider this a default of the contract terms and demand payment in full plus any outstanding interest due.
- The acquisition must occur before December 1, 2009. Failure to close before this deadline will result in termination of the City's commitment and no assistance will be provided.

Tax Credit Facts:

- The credit is to be claimed on new **IRS Form 5405**, First Time Homebuyer Credit
- The credit can be filed on either the 2008 or 2009 income tax return.
- More guidance can be obtained by way of **IRS Notice 2009-12**.

****Terms and conditions are subject to change. Program is subject to funding availability.**