

IHFA's Down Payment Assistance Tax Credit Advance

The American Recovery and Reinvestment Act of 2009 provided a federal income tax credit for first-time homebuyers of 10% of the sales price, up to a maximum of \$8,000. This tax credit is available to qualified home buyers who purchase a home by December 1, 2009. In order to help buyers monetize this tax credit for down payment and closing costs when they purchase a home, Idaho Housing and Finance Association (IHFA), through its IdaMortgage lending program, is offering a special short-term ***Tax Credit 2nd Loan*** to qualified buyers.

In conjunction with an IdaMortgage loan, a subordinate loan will be offered to qualified borrowers of up to \$7,000, not to exceed 100% CLTV at 3.0% interest and with a due date of July 1, 2010. The ***Tax Credit 2nd Loan*** is expected to be paid off from the borrowers tax refund obtained through use of the federal tax credit. Borrower qualifications are; 1) first time homebuyer, 2) FICO score of no less than 640, and a total debt ratio of no more than 45% , 3) completed certification from the home buyer and a qualified tax preparer that he/she expects a tax refund of at least the amount of the loan, and 4) qualifies for an IdaMortgage loan. First time homebuyers with credit scores of 700+ will not be required to produce a certification.