

HFA: New Jersey Housing and Mortgage Finance Agency
Entry Name: “The Road Home New Jersey” First-Time Homebuyer Website

The Problem

The American Dream of homeownership is closer to reality for more New Jerseyans than it has been in years. Housing is more affordable than it has been in a generation, mortgage rates are at record lows and incentives and programs offered by the New Jersey Housing and Mortgage Finance Agency (HMFA) make it even easier for people to make their first home purchase. First-Time Homebuyers are viewed as the linchpin to re-energizing the housing market as they buy housing inventory and free up other homeowners to buy their next homes.

HMFA has been at the forefront of providing the financial resources, tools, and guidance for buyers seeking affordable homeownership in the State of New Jersey. Through its First-Time Homebuyer Program, the HMFA offers below-market, fixed interest rate mortgages through approved lenders. The goal is to make homeownership in New Jersey affordable for First-Time Homebuyers by allowing flexible debt-to-income ratios and downpayment and closing cost assistance.

In addition to its offerings for First-Time Homebuyers, the HMFA has an array of programs and services to meet the needs of other consumers, such as renters, senior citizens and residents with special needs. On the other side of the housing spectrum, the HMFA works with developers, lenders and syndicators, property managers, government agencies and not-for-profit groups to develop and build affordable housing by offering below market interest rate construction loans and subsidy funding. All of these services make up the day-to-day business functions of the HMFA, and the Agency’s main website, while detailed and informative, is far too broad for the target audience of First-Time Homebuyers.

First-Time Homebuyers were unable to easily find the information they sought and were confused by the language presented for developers and other consumers. The First-Time Homebuyer program information needed to be more sharply focused and presented in a concise, easy-to-read manner with simplified navigation, offering clear product information along with tips and advice.

The Solution

The Agency realized the need for a consumer-friendly, educational website to help guide First-Time Homebuyers toward achieving their dream of homeownership. In order to separate the HMFA’s First-Time Homebuyer offerings from the rest of its services, *The Road Home New Jersey* program brand was created. *The Road Home New Jersey* is the combination of free, educational expert advice as well as an overview of all of the First-Time Homebuyer products that HMFA offers.

The Road Home New Jersey was intended to serve four purposes:

1. To clearly separate the services and products for First-Time Homebuyers from the rest of the HMFA’s offerings,
2. To identify these programs with a friendly, welcoming appearance,
3. To provide the First-Time Homebuyer with free, easy-to-understand information about the process of purchasing their first home, complete with step-by-step instructions, and;
4. To inform the First-Time Homebuyer about the significant opportunity for financial assistance and savings by using the mortgage-related offerings from the HMFA.

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To meet the goals set out by the HMFA, it was decided that *The Road Home New Jersey* would become its own separate micro-site, www.TheRoadHomeNJ.com, linked directly to and from the HMFA main site.

Accomplishments

TheRoadHomeNJ.com established a new brand that is a symbol of the HMFA’s dedication to helping New Jerseyans buy a home in the State of New Jersey. Other important goals achieved by the website are:

1. Providing First-Time Homebuyers with a free, consumer-friendly educational tool
2. Educating First-Time Homebuyers about the benefits of an HMFA mortgage
3. Allowing users to have a zero pressure browsing experience – no login or registration required to access the guides, tips and advice

Why *The Road Home New Jersey* is Meritorious and Meets NCSHA Award Criteria

Innovation

Many HFA’s nationwide harness the power of the web to convey their marketing messages. In the current business climate, an agency without a web presence is practically unheard of. However, by combining helpful information, real customer testimonials and a “turn-by-turn roadmap” along with clearly organized mortgage product information, the micro-site allows the First-Time Homebuyer to have a complete learning experience all at a single URL.

Replicable

This concept is easily replicable by other HFA’s. It was created and produced by HMFA’s in-house marketing staff, with the text composed by the Agency’s single-family mortgage executives. The testimonial video on the page was produced at minimal cost to the Agency. The site is hosted and maintained internally at no additional cost to the Agency other than employee time.

Reach Targeted Audiences

The micro-site and *The Road Home New Jersey* campaign are promoted regularly at all HMFA outreach events, conferences, lender/realtor training sessions, state housing fairs, and faith-based seminars. The campaign and micro-site have been directly promoted via press release by the New Jersey Association of Realtors (NJAR) as well as the office of New Jersey Governor Chris Christie.

Achieve Measurable Results

As the site has only been live for a short amount of time it is difficult to accurately measure the true success of the campaign. However, it should be noted that in this weak market the HMFA has experienced an uptick in applications for First-Time Homebuyer mortgages.

Provide Benefits that Outweigh Costs

The benefits of producing *TheRoadHomeNJ.com* far outweigh the costs associated with its construction and maintenance. With no obvious “official” resource for First-Time Homebuyers in the State of New Jersey, *TheRoadHomeNJ.com* fills a massive void. With so much conflicting and confusing information in the marketplace, *TheRoadHomeNJ.com* offers a clear “turn-by-turn roadmap” for New Jersey First-Time Homebuyers to follow. The website has, in turn, increased

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visibility and credibility for HMFA and the services and products we offer, and has also strengthened our relationships with our various housing, mortgage, and government partners.

Demonstrate Effective Use of Resources

HMFA was able to minimize costs by keeping the majority of the work to produce the micro-site in-house. The content was written by HMFA’s single family mortgage executives, and the design and maintenance is done by the internal marketing staff. With the exception of the use of an outside videography contractor to film the customer testimonials, *TheRoadHomeNJ.com* uses no Agency resources other than employee time. Site maintenance is kept at a minimum of a few hours per month. In the past, an educational resource like this would only have been translated into a printed piece to be distributed via mail or at outreach events. While the Agency has printed short runs of rack cards (in-house) to promote the site for said outreach events, HMFA has been able to avoid a major print, labor, and mailing cost expenditure by hosting the bulk of the information online.

Achieve Strategic Objectives

TheRoadHomeNJ.com helps HMFA achieve its mission of providing funding and opportunities for affordable homeownership for New Jersey residents by educating the First-Time Homebuyer about the process of buying a home. The micro-site provides a friendly, welcoming appearance, clearly organized and easy-to-understand consumer information about HMFA’s product offerings, as well as helpful tips, advice and a step-by-step guide to help navigate through the often confusing process of buying a first home. For the HMFA, an educated, prepared First-Time Homebuyer is a *successful* First-Time Homebuyer, which is the key to re-energizing the housing market in the State of New Jersey and advancing the growth and development of municipalities statewide.

Conclusion

The state of the current housing market has caused many New Jerseyans to fear the commitment of purchasing a home. Many have no clue where to begin to look for information. They do not know what to expect and so many delay the decision to purchase simply because they *assume* they cannot afford it. HMFA sought to fill the void and correct misconceptions with a free, educational resource. *The Road Home New Jersey* campaign and micro-site is intended to inform the consumer about the various financial options and benefits available as well as provide a “roadmap” of the necessary steps to secure an affordable first home in New Jersey. Although the site is newly-launched, HMFA is confident that this educational tool will prove invaluable in 2011 and beyond as more First-Time Homebuyers move toward achieving the American Dream of owning a home.



DCA & HMFA REMIND HOMEBUYERS ABOUT 'THE ROAD HOME NEW JERSEY' WEBSITE **New Online Tool Helps Educate Prospective Homebuyers during Busy Home Buying Season**

TRENTON, NJ – New Jersey Department of Community Affairs (DCA) Commissioner Lori Grifa and New Jersey Housing and Mortgage Finance Agency (HMFA) Executive Director Anthony Marchetta today urged prospective homebuyers to take advantage of The Road Home New Jersey, a new consumer education tool that will help guide them in the home buying process.

“Summer is home buying season, and as market conditions put would-be homebuyers in the driver’s seat, they now have a roadmap to follow along the way to their ultimate destination of home ownership,” said Commissioner Grifa, who is chair of the HMFA. “The education campaign is particularly useful for first-time homebuyers who may be unfamiliar with the paperwork, technical phrases, and costs involved with purchasing a house.”

Launched by the DCA and HMFA in April, The Road Home New Jersey is a new consumer education initiative to help people navigate the home buying process, secure affordable home ownership and identify financing opportunities. The Road Home New Jersey’s user-friendly website, www.theroadhomenj.com, delivers concise and valuable information to prospective homebuyers.

The website’s step-by-step home buying guide with downloadable checklists leads consumers down the path to homeownership and guides them to information on financing and mortgages. The site also features personal stories from recent home buyers who have achieved their dreams of homeownership and tips to avoid likely pitfalls.

“The process of buying a home can be daunting, even to the most sophisticated consumer. The HMFA created The Road Home New Jersey campaign to help New Jersey residents understand the process and assist them in finding the right mortgage option,” said HMFA Executive Director Anthony Marchetta. “If prospective homebuyers need help with closing costs, the education initiative can assist with that as well.”

The HMFA, which is an affiliated agency of the DCA, provides attractive below-market, 30-year fixed rate mortgages and allows certain closing costs to be gifted by family members, non-profit organizations or government agencies through participating private lenders. With an HMFA mortgage, down payments of as little as three percent are permitted, if qualified. The Agency has flexible underwriting requirements.

“The HMFA offers mortgage programs that are tailor-made for first-time and urban area buyers. They are a great way to accomplish the goal of home ownership,” said Jerry Keelen, Director of Single Family Programs for the HMFA.

Other innovative HMFA programs include Smart Start, which offers down payment and/or closing cost assistance for eligible applicants and Live Where You Work, an incentive program for homebuyers purchasing in the same participating town in which they are employed.

Since its inception in 1967, the HMFA has been committed to making quality housing available at costs affordable to New Jersey residents. In addition to first-time homebuyers, the HMFA works with senior citizens in senior and assisted living facilities, people with special needs, and the state’s affordable and workforce homebuyers.

For more information about the HMFA and its housing assistance options, please call 1-800-NJHOUSE or go to www.nj-hmfa.com. For more information on homeownership, log on to www.TheRoadHomeNJ.com.



DCA & HMFA LAUNCH CONSUMER EDUCATION INITIATIVE FOR START OF HOME BUYING SEASON

The “Road Home New Jersey” Helps First-Time Homebuyers Navigate the Real Estate Market

TRENTON, NJ – To coincide with the traditional start of home buying season, the New Jersey Department of Community Affairs (DCA) and New Jersey Housing and Mortgage Finance Agency (HMFA) today launched The Road Home New Jersey, an education initiative that prospective first-time homebuyers can use to navigate the road to affordable home ownership.

“New Jersey families looking for their first house now have a roadmap to follow along the way to their ultimate destination: home ownership,” said New Jersey Department of Community Affairs Commissioner Lori Grifa, Chair of the HMFA Board. “The Road Home New Jersey will walk consumers through the home buying process and help them secure affordable home ownership and financing opportunities.”

The Road Home New Jersey’s user-friendly website, www.TheRoadHomeNJ.com, is the centerpiece of the initiative, delivering concise and valuable information and guidance to prospective homebuyers, including:

- A step-by-step home buying guide with downloadable checklists;
- First-time homebuyer finance program information;
- Mortgage and affordability calculators;
- Personal stories of real families who have achieved home ownership;
- List of approved, reputable lenders; and
- Daily interest rate updates

“Buying your first home should never be a decision taken lightly, but it shouldn’t be overwhelmingly difficult either. This website was created to simplify the process and to help make finding the right mortgage and financial assistance easier, whether a buyer needs help finding a low-cost mortgage or needs additional financial assistance,” said Anthony L. Marchetta, HMFA Executive Director. “The HMFA is committed to helping homebuyers with financing and ‘know how.’ We’ve put a lot of thought into The Road Home New Jersey.”

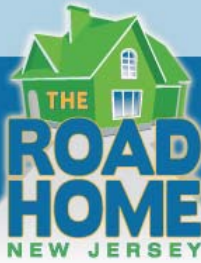
The HMFA, which is an affiliated agency of the Department of Community Affairs, specializes in helping first-time and urban area homebuyers secure reasonable financing that provides the flexibility and purchasing power to buy their dream home.

The Agency provides competitive, 30-year fixed rate mortgages and allows down payments as low as 3 percent. Innovative HMFA programs include Smart Start, which offers down payment and/or closing cost assistance for eligible consumers purchasing in a designated Smart Growth area, to Live Where You Work, an incentive program for homebuyers purchasing in the same participating town in which they are employed.

“With The Road Home New Jersey acting like a GPS and providing step-by-step instructions, the HMFA’s first-time homebuyer finance programs are the vehicle. Step on the gas and get ready for the journey,” said Jerry Keelen, Director of Single Family Programs for the HMFA.

Since its inception in 1967, the HMFA has been committed to making quality housing available at costs affordable to New Jersey residents. Aside from first-time homebuyers, the HMFA works with senior citizens in senior and assisted living facilities, the disabled in special needs communities, and New Jersey families in traditional affordable housing developments.

For more information about the HMFA and its housing assistance options, please call 1-800-NJHOUSE or go to www.nj-hmfa.com. For more information on homeownership, log on to www.TheRoadHomeNJ.com.



First-Time Homebuyer Rate
4.50%

“We’re living the dream thanks to the HMFA!”

[Click here to read additional testimonies](#)



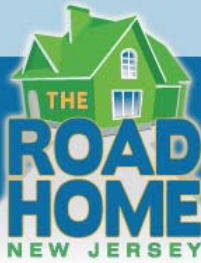
We'll Help You Make a House Your Home!

Buying a house is a big step with a rewarding outcome – a home to call your own.

The [New Jersey Housing and Mortgage Finance Agency](#) (HMFA), the sponsor of The Road Home New Jersey, promotes affordable homeownership and housing opportunities for New Jersey residents. We understand that no two needs are the same, and we're here to find a program that's right for you; whether you need help with a downpayment or closing costs, or if you simply want a shorter commute to work.

The Road Home NJ is a turn-by-turn roadmap for first-time homebuyers to navigate the road to affordable homeownership. We're here to help guide you to your ultimate destination and help you overcome detours that may stand in your path as you travel toward owning your first home in New Jersey.

Come along for the ride!



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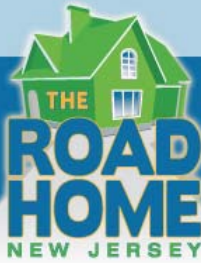


HMFA Mortgage Programs

BENEFITS OF AN HMFA MORTGAGE

- Competitive, 30-year fixed interest rates.
- Downpayments of as little as 3.5%.
- Downpayment and closing cost assistance available with conventional, FHA, VA, or RHS loan types.
- Seller's concessions of up to 3% permitted.
- Certain closing costs can be gifted by family members, non-profit organizations or government agencies.
- Unlike most lenders who sell their loans to other parties, HMFA retains the servicing for the life of the loan.
- If you're building a home, HMFA offers a longer rate lock for no extra fee.
- Choose from our [extensive list of lenders](#) (88k PDF).
- HMFA cares about you, the homebuyer, and has your best interests in mind.

[READ MORE INFORMATION ABOUT THE DIFFERENT MORTGAGE PROGRAMS OFFERED BY THE HMFA.](#)



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HMFA Mortgage Programs

Click on any of the links below to find out more about any of HMFA's mortgage programs.

1. [FIRST-TIME HOMEBUYER MORTGAGE PROGRAMS](#)
2. [SMART START](#)
3. [LIVE WHERE YOU WORK \(LWYW\)](#)

FIRST-TIME HOMEBUYER MORTGAGE PROGRAMS

Becoming a first-time homebuyer in New Jersey is made easier and more affordable when you use one of HMFA's mortgage programs. Once you determine [how much house you can afford to buy](#), HMFA lenders can help you determine which program is the most advantageous for you.

HMFA has helped thousands of New Jersey residents become homeowners. You can become a homeowner, too, by following our roadmap to homeownership.

Who Qualifies:

- First-time homebuyers who meet income eligibility requirements
- Eligible homebuyers who purchase a home in an identified Urban Target Area

How it Works:

- Low-cost, fixed rate mortgages are available through large network of lenders. [Click here for a list of approved lenders.](#) (88k PDF)
- Low downpayment.
- HMFA offers assistance with downpayment and/or closing costs through the Smart Start program.
- Area income and purchase price limitations apply. [Click here](#) to learn about area income limitations.

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SMART START

Offers downpayment and/or closing cost assistance for eligible homebuyer consumers purchasing in a designated Smart Growth Area in New Jersey in the form of a second mortgage.

Who Qualifies:

- Homebuyers who are BOTH participants in HMFA's first mortgage homebuyer program who are purchasing in a Smart Growth Area. To determine whether your property qualifies for the Smart Growth program, check out our [Site Evaluator tool](#).

How It Works:

- The program helps these families by offering a second mortgage for downpayment and/or closing costs up to 4% of the first mortgage.
- For example, a borrower with a \$200,000 first mortgage can receive a second mortgage of up to \$8,000.
- To determine whether your property qualifies for the Smart Growth program, check out our [Site Evaluator tool](#).

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LIVE WHERE YOU WORK (LWYW)

If you're planning to buy a home in the town where you're employed, Live Where You Work (LWYW) may be the right program for you. LWYW provides low-interest mortgage loans to homebuyers purchasing homes in the municipalities in which they work.

This means saving money on gas, tolls, and mass transit – giving you, the buyer, more purchasing power. What's more, the extra time you'll have to spend on your personal interests and with your family is priceless.

The goal of LWYW is to build stronger communities by promoting homeownership and encouraging people to live closer to their jobs. By working closer to home, we reduce the dependence on (and expense of!) cars, and increase the use of alternate transportation such as walking, biking and public transit.

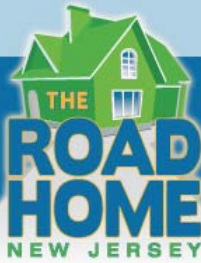
Who Qualifies:

- Eligible First-Time and Urban Target Area homebuyers who want to purchase a home the same town in which they are employed as long as that town is one of a [growing list of participating municipalities](#).

How It Works:

- LWYW is a program that provides 5% forgivable downpayment and closing cost assistance partnered with low-interest fixed rate mortgage loans.
- Properties must be located in a [participating Live Where You Work municipality](#).
- Eligible properties include one-family units, *including condominiums*, (new and existing), and existing two- to four-family unit properties that are more than five years old.

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“We’re living the dream thanks to the HMFA!”
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[Click here to read additional testimonies](#)



Road to Homeownership

Deciding where to live is one of the biggest decisions you will ever make. So, it is important to make sure that you equip yourself with the proper information to avoid the pitfalls and successfully navigate your way to your new home.

Step 1: What can I afford?

Get started by evaluating your financial situation and setting a budget. [Learn what you can afford.](#)

Step 2: How to find an affordable property

Discuss the types of homes available to you and get some valuable house-hunting advice. [Find an affordable property.](#)

Step 3: Homebuyer counseling

Learn about the benefits of homebuyer counseling and [find a course near you.](#)

Step 4: Getting pre-qualified

This quick check will determine your eligibility for a HMFA loan and will put you in touch with an approved lender. [Pre-qualify today!](#)

Step 5: Making an offer

Discuss all aspects of the offer process, from preparation to negotiation to the agreement itself. [Learn about making an offer.](#)

Step 6: Applying for a mortgage

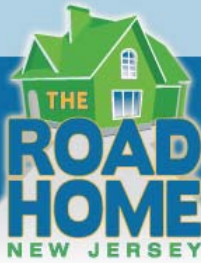
Learn about the various loan types available, what's expected of you and what you can expect from the mortgage application process. [Find out about applying for a mortgage.](#)

Step 7: The home inspection

Find out what you can expect during the home inspection, and discuss what to do with the information it reveals. [Learn more about home inspections.](#)

Step 8: The closing process

Learn about walk-throughs, loan closings, title transfers and everything else involved in the [last step of buying a home.](#)



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[Click here to read additional testimonies](#)



Road to Homeownership

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STEP 1:
WHAT CAN I AFFORD?

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It's an exciting time, but before you head out in search of your new home take some time to review your finances. Be sure to consider the expenses involved in owning a home when you outline your budget. Can you afford to buy a home? Let's find out.

Am I ready?

To help you get a better grasp of your financial situation, try these easy-to-use tools:

- [Mortgage Calculator](#)
- [Affordability Calculator](#)

The costs of homeownership

Owning a home is a big responsibility that comes with great rewards. Budgeting is important, so plan for sudden expenses that may arise in addition to your regular monthly expenses. Don't forget to include all costs in your monthly budget including:

- Property taxes and special assessments
- Home/hazard insurance
- Property maintenance
- Association and membership fees (for condominiums, townhomes and some developments)

Some of the fees mentioned above are part of your monthly mortgage payment while others are not – be sure to ask about how these fees are to be paid.

Credit and credit histories

It's no secret. Your credit history is an important factor that affects your ability to obtain a mortgage for the purchase of your home. Lenders want to see how you borrowed and repaid money in the past. This is reflected in your FICO score. FICO scores range from 300 to 850, and lenders believe that borrowers with higher scores are more likely to repay their loan.

- Homebuyers should obtain a copy of their credit report by contacting www.annualcreditreport.com
- Learn more about [Understanding Your Credit Report](#)
- For questions regarding your credit report, view the [Credit Questions and Answers](#)
- Tips for [Building or Repairing Your Credit](#)

Downpayments

You will need to make an up-front investment in your new home in order to get a mortgage. The amount of the downpayment, or the initial payment made when buying a home, will also impact your ability to get a mortgage as well as the interest rate and terms of the mortgage loan. Buyers who contribute their own funds to the purchase of a home are considered a better overall credit risk.

If you're making a downpayment that is less than 20% of the home price, mortgage insurance will be required.

Questions about what you can afford?

If you have questions about the financial aspects of homeownership, check out the [HMFA's Understanding the Homebuying Process brochure](#), or visit our [FAQs](#).

[Go back to Overview of Steps](#)

[Go on to Step 2: Finding an Affordable Property](#)



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[Click here to read additional testimonies](#)



Road to Homeownership

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STEP 2: FINDING AN AFFORDABLE PROPERTY

Forward →

Now that you know what you can afford, it's time to start looking at houses. You're probably asking yourself, where should I look, what can I expect to find? While no property will have everything you want, the home you purchase should meet as many of your needs and wants as possible. You might start out looking for a mini-mansion but end up finding that a mid-size ranch home is just right for you and your budget.

Where to begin

You've probably been making a mental wish list of expectations for your new home. Maybe you can't live without a walk-in closet, a living room with high ceilings or a functioning fireplace. Let's get all those details listed on paper and make sure that the priorities reflect you and your family. Consider the neighborhood, the home's exterior, interior layout, number of bedrooms and bathrooms as well as location and lifestyle, commuting distance and community, and reputation of the schools.

Take your list with you when you look at prospective homes and size up each house according to the items on your list. Can you envision entertaining family and friends during holidays in the dining room? Is there enough closet space to store your ever-growing shoe collection? The more the home matches up to items on your list, the happier you'll be when you're living in it.

What are my options?

First, you need to decide what type of home you want. Be mindful of your plans for the next five years. Do you plan on starting a family or would you be interested in renting out a space in your home? There are a number of housing types to choose from to suit your individual needs, including:

- **Single-Family**
 - Single-family homes are the most common target property for prospective homeowners. There are two options: a newly constructed house or an older home in an already established neighborhood. Both new construction and older homes offer advantages to first-time buyers. Older homes may be roomier, more affordable, and situated in a convenient or central location. A new home likely has a more efficient heating system, better insulation, and lower maintenance costs, since everything is brand new.
- **Condominium**
 - A condominium is a single unit in a multi-unit property. Benefits of condo ownership include low maintenance and many of the freedoms of apartment living. Remember, though, that along with your private space, you will also share common areas with the owners of other condominiums in your property. As a condo owner, you may be asked or may wish to serve on the association board. This involves overseeing the collection of fees, upkeep of the grounds, maintaining cash reserves, and managing both emergency and scheduled repairs.
- **Multifamily**
 - Purchasing a 2- to 4-unit property provides you with both an investment property and a personal residence. Along with the possible tax and income advantages of multifamily homes come the added responsibilities of a landlord, such as tenant search and selection, leases, security deposit procedures, evictions and emergency repairs.
- **Fixer-Upper**
 - During your search for a home, you are sure to find many houses that can be described as fixer-uppers--generally older homes in need of updates and repair. These homes are often in older, more established neighborhoods, but have suffered from neglect over a long period of time. If you decide that a fixer-upper is for you, be prepared for the numerous costs involved in rehabilitation work. Once work begins, you may uncover additional issues. Rehabilitation costs can rise quickly and significantly, as can the time needed to get the house in good working order. If you decide on a fixer-upper, have a contractor or home inspector detail the extent of rehabilitation work, and estimate the costs. Do this before you make your offer on the home. The amount it will cost to repair the property will impact the price you pay for the house.

Location, location, location

You've heard it before. Your home's location is arguably the most important feature to consider. Are you comfortable living on or near a main street? Would you like to have a dog park in walking distance? Here are some things to consider when choosing a location:

- How far are you willing to commute to work?
- How accessible is the home to highways or public transportation?
- How close are shopping, churches, day care facilities and recreation areas?
- What is the quality of the public schools?

Prioritize the attributes that are most important to you. Ask yourself, would you trade a larger yard for highway access, public transportation for shopping and restaurants, a shorter commute for better public schools? With your list in hand, you'll be better equipped to find the town and the home that best suits your desired lifestyle.

Finding the right home

Conducting the search yourself is certainly manageable, but a fair bit of organization and professional insight could be very helpful. First identify towns that fit your needs, and then seek out homes in those towns within your price range. Schedule appointments with a REALTOR® or the home owner in the case of "for sale by owner" to view homes for sale, or find open houses you can attend.

There are a number of resources that will help you find the right house for you:

- Websites such as realtor.com, njmls.com and njhousing.gov
- Newspapers
- Searching for *For Sale* signs in target areas
- Bulletin boards at work, or in and around target communities
- Talking to friends, acquaintances, co-workers

You may also want to work with a REALTOR® who can provide expertise on market trends, property conditions, and many other aspects of buying your first home. To find a licensed REALTOR® in New Jersey, visit www.njar.com the official website of the New Jersey Association of REALTORS.®

Open House advice

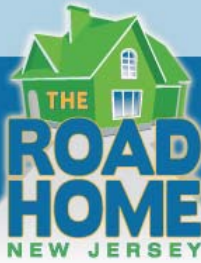
Attending an Open House is serious business. Remember that an Open House is a sales tool that homeowners use to market their homes. Make sure you refer to your list and keep an open mind. To help keep your focus, keep in mind the following:

- Bring a notepad and map so you can mark each home's location and note its special features.
- Pick up a listing sheet whenever one is available. After a day of open houses, you may find that a home has more or less appeal than you initially thought.
- Pace yourself. Visit too many homes without a break and you'll start missing details.
- If you are going to look at a lot of houses, take big breaks. See three homes in the morning, then stop and have lunch. See three more, then stop and do something else. See three more in the evening and call it a day.
- Bring a camera and snap pictures of the houses that appeal to you. Grab photocopied pictures if they are available.
- Make a rough sketch of the floor plans of the homes you are considering.
- Remember, there are no foolish questions. Ask away!

You want to know everything you can about each property, so be prepared to ask lots of questions. One question about pipes, heating or cooling systems, taxes, or recent repairs may lead to other questions. You may find areas of concern about a specific property that looked trouble-free. It's far better to know about a home's problems before you buy than it is to discover them once you own the property.

[Go back to Step 1: What Can I Afford?](#)

[Go on to Step 3: Homebuyer Counseling](#)



First-Time Homebuyer Rate
4.50%

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Road to Homeownership

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STEP 3:
HOMEBUYER COUNSELING

[Forward →](#)

If thinking about buying a home causes you to break into a cold sweat or twitch nervously - stop and take a deep breath. You might want to consider attending a homebuyer counseling course that will give you a step-by-step breakdown of what lies ahead, so that you know what to expect.

Do I need homebuyer counseling?

Most HMFA loans do not require counseling, but there are many benefits to going through a counseling course.

What are the benefits of homebuyer counseling?

The counseling course is basically a 101 class on buying your first home. It will teach you about the different aspects of homebuying including finding the right home, choosing a neighborhood, different mortgage types and terms, and real estate lingo.

Programs include discussions of:

- Applying for a mortgage
- Downpayment and closing cost requirements
- Credit
- Making an offer
- The home inspection
- Preparing for closing
- Special considerations for buying condos and multifamily properties
- Post-purchase issues
- Budgeting

Where can I locate a homebuying counseling course?

There are many counseling courses held across New Jersey that are offered for free or low cost. To find one near you, go to the [U.S. Department of Housing and Urban Development Approved Housing Counseling Agencies website](#).

[Go back to Step 2: Finding an Affordable Property](#)

[Go on to Step 4: Available HMFA Lenders](#)



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STEP 4:
AVAILABLE HMFA LENDERS

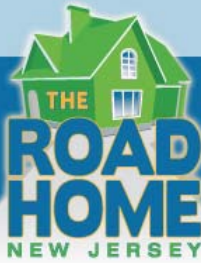
[Forward →](#)

Next step - choosing a lender. The HMFA works with a number of qualified lenders that participate in our Homebuyer programs. See the list linked below to choose the lender that's right for you!

[HMFA Mortgages Approved Lender List](#). Updated regularly! (88k PDF)

[Go back to Step 3: Finding an Affordable Property](#)

[Go on to Step 5: Making an Offer](#)



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Road to Homeownership

← Back **STEP 5: MAKING AN OFFER** Forward →

After carefully searching, you finally found the right home and you're ready to make an offer.

An offer is a legally binding commitment stating that you will buy the home for a specific price provided that certain terms and conditions are met. Once the seller accepts your offer, it must be signed both by you and the seller.

Considerations for the offer

You may want to think about the following as you prepare your offer:

- What is the age and condition of the home?
- Are any repairs needed? What will they cost? Are the sellers willing to share any of the expense?
- How long has the property been on the market?
- How active is the market (i.e., buyer's or seller's market)?
- Are the sellers anxious to sell?
- Is the property in a particularly desirable location or school system?
- Does the home meet many, most, or all of the items on your wish list?

Preparing the offer

Pay close attention to all the details. Be sure that the offer clearly outlines all the terms and conditions of the sale, including:

- Your name and the name and the seller's name
- The property's address
- Any special provisions regarding fixtures, appliances, etc.
- The purchase price being offered (including the deposit put down to bind the offer and the deposit to be paid upon the execution of the Purchase and Sale Agreement)
- Any additional riders and deadline dates
- Any contingencies to which the offer is subject (e.g., pest inspection, securing financing)

Timing and deadlines

Now it's time to get out your calendar. Take time to think about how long it will take you to negotiate the offer with the seller, get an inspection, and get approved for a mortgage. Consider meeting those deadlines when you set a closing date. Your deal could fall through if deadlines aren't met.

Negotiating the offer

After you make your offer, the seller may accept, reject or counter it with a different price. If the seller counter-offers, you can then accept, reject, or counter that. While the negotiation goes on, the house will stay on the market.

Check out this link for [more tips about the homebuying process](#).

Do I Need an attorney?

To protect your best interest, we recommend that you retain an attorney when purchasing your first home. The attorney will also:

- Help you prepare the offer
- Help negotiate the sale price and conditions of the sale
- Draft and/or revise the Purchase and Sale Agreement to protect you and your money
- Assist you with the mortgage process
- Prepare you for the final walk-through of the property
- Attend the closing and represent your interests
- Provide you with a three-day right of review of the Purchase and Sale Agreement

Purchase and Sale Agreement

It's not over yet! After negotiations are settled and your offer is accepted, a Purchase and Sale Agreement is written up by the broker. This document spells out the agreement in specific detail. Because it's a legally binding contract, have your attorney review it before you sign it.

Provisions and contingencies

Your first line of defense before you go into contract on your first home is to include provisions and contingencies in your offer. This ensures that you and your money are protected in the event that the loan is not approved and the deal is called off. It is very important that the

Purchase and Sale Agreement include a *mortgage contingency clause*, which states that your buying the home is dependent on your ability to get a mortgage. Such a clause allows you to keep your deposit if your mortgage isn't approved.

Other contingencies to be added to the Purchase and Sale Agreement should be based on the home's condition, pest, radon, and lead paint inspections. The closing date and occupancy date should also be indicated. [Learn more about provisions and contingencies.](#)

The home inspection

You wouldn't buy a car without taking it for a test drive, the same goes for a home. Having a professional assess and inspect the home will help you know if you are getting what you're paying for.

Once you schedule an inspection, a home inspector will look carefully at the condition of the home, letting you know about any potential problems or necessary repairs. An inspection usually costs a few hundred dollars and is paid for by the buyer. You can learn more in [Step 7: The Home Inspection](#).

[Go back to Step 4: Available HMFA Lenders](#)

[Go on to Step 6: Applying for a Mortgage](#)

[Home](#)

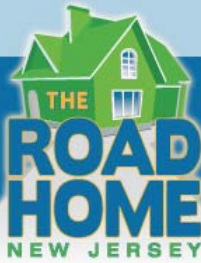
[HMFA Mortgage Programs](#)

[Road to Homeownership](#)

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Road to Homeownership

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STEP 6: APPLYING FOR A MORTGAGE

Forward →

You're within one mile of the finish line to becoming a homeowner, and there's no stopping you now. Once your offer has been accepted and the Purchase and Sale Agreement is signed, you will need to apply and be approved for a mortgage. There are numerous finance options, so gathering the right information is key to making a good decision.

These tools will help:

- [Mortgage Application Checklist to gather and prepare all the documentation required to obtain a loan](#) (116kb PDF)
- [Mortgage Application Process Flowchart to follow the path your application will take](#) (293kb PDF)

Obtaining a mortgage

This is uncharted territory for most people, since this is your first time purchasing a home. You likely have many questions and luckily we can help. Take some time to read our [Info About HMFA Mortgages](#) page, which outlines a variety of programs that may help you to get a loan.

To obtain an HMFA loan, you can contact a participating lender. Visit our [list of approved lenders](#) to find one nearest you.

Pre-qualification vs. pre-approval

Before you make an offer, you can pre-apply for a mortgage loan. You can visit a mortgage broker and supply him with your personal financial information. The broker will find out how much a lender is willing to loan you, as well as the interest rate, without actually going through with the loan.

While you're shopping around for a loan, you may hear the terms "pre-qualified" and/or "pre-approved." It is important to understand the difference between these terms. Pre-qualified means that you would qualify for a mortgage but it does not guarantee you a mortgage or a rate. Being pre-qualified is useful in the negotiating process because it will give the seller confidence that you'll be able to get a mortgage once the time comes. Pre-approved, on the other hand, guarantees you a mortgage at a specified rate.

It's important to note that obtaining a pre-qualification or pre-approval from a lender does not obligate you to get a loan from that lender.

Where to apply

Be a smart shopper and prepare yourself to make a wise decision about your mortgage. After you get pre-qualified or pre-approved, you can still continue to shop around for better rates and terms. You may have to make a lot of phone calls and do lots of research, but it's worth it and could save you a significant amount of money in the long run. You should choose a lender that you trust and a loan that will stay in your budget for many years. Consider exploring options from:

- Mortgage companies
- Savings and loan institutions
- Federal credit unions
- Other financial institutions

The loan terms

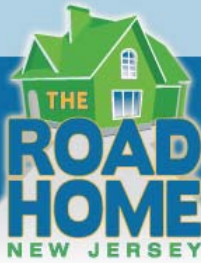
Because each lender will have different terms to its mortgage, you can compare some key points to understand which deal is the best for you.

Compare:

- Interest rate
- Whether the rate is fixed or adjustable
- Whether the rate can be locked in when you apply for the mortgage. For how long? At what cost?
- Closing costs
- Other fees charged by the lender. Do all lenders charge these fees?

[Go back to Step 5: Making an Offer](#)

[Go on to Step 7: The Home Inspection](#)



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**STEP 7:
THE HOME INSPECTION**

[Forward →](#)

Getting your future home approved by an inspector is a vital step in the buying process. You'll be responsible for finding a licensed inspector and paying him, but learning the findings will make you feel more comfortable buying the home.

Do I need a home inspection?

A home inspection is like getting a physical from a doctor – it will teach you about the home's potential problems so that you can make an informed decision about whether you want to continue with the purchase. The inspector will examine the structure and systems of the home (such as the heating, plumbing, and electrical). He or she will let you know if there are existing or potential problems and may recommend ways to address them.

If you're planning on selling your home, consider a home inspection as well. It will give you an opportunity to make repairs and ensure that a buyer's inspector finds your property in good condition for a sale.

What is involved in a home inspection?

An inspector will do a visual check of the home's:

- Heating system
- Central air conditioning system (temperature permitting)
- Plumbing
- Electrical systems
- Roof, attic, and visible insulation
- Walls
- Ceilings
- Floors
- Windows and doors
- Foundation, basement, and the visible structures of the home
- Environmental concerns (removal of oil tank, etc.)

The inspector should give you a written report immediately after the inspection. If the inspector finds many problems and gives the home failing grades, you may withdraw from the agreement provided that was in the contingency clause in your offer.

You can also have the home inspected for termites, radon, lead paint, and asbestos, which is not covered in a basic inspection.

Where can I find a home inspector?

New Jersey has laws to qualify home inspectors and regulate the inspection process. To locate an inspector near you, visit:

- The [New Jersey Association of Licensed Professional Home Inspectors](#)
- The [American Society of Home Inspectors](#)

[Go back to Step 6: Applying for a Mortgage](#)

[Go on to Step 8: Applying for a Mortgage](#)



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STEP 8:
THE CLOSING PROCESS

[Start Over](#)

Excited about finally moving into your new home? There’s just one more step left – the closing. Ownership is transferred to you from the seller and money is exchanged. It’s stressful but your real estate agent and attorney will be there to guide you through the process.

How do I prepare?

You should walk through the home within 24 hours of the closing to make sure it looks as you expected and is in move-in condition. If you discover something *after* the closing, you have no way out, so be sure to walk slowly and look carefully.

What do I bring to the closing?

The mortgage lender’s attorney will let you know exactly what documents you should bring. Typically, you need a form of photo or state-issued ID, a cashier’s check to cover the closing costs (the attorney will let you know the correct amount), and a homeowners insurance policy.

What happens during closing?

The closing usually takes place at the attorney or mortgage lender’s office. You will be asked to sign a lot of documents, so make sure you read each one closely.

For more information, visit the [Home Loan Learning Center’s Closing Guide](#) to learn more.

Closing costs

There are some costs that will need to be paid at the closing. Your attorney will go over your HUD-1 Statement with you, which itemizes all the costs. Some standard costs include:

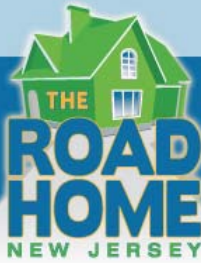
- Downpayment
- Attorney fees
- Title search (a check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding)
- Title insurance (to protect the lender and/or the buyer against loss arising from disputes over ownership of a property)
- Municipal lien search (to determine that there are no outstanding legal claims against the property that must be paid when the property is sold)
- Appraisal
- Credit report and a certified plot plan
- A full-year insurance binder
- Recording fees and transfer charges
- Prepaid interest due on the mortgage for the month in which you are closing the loan
- The first year’s mortgage insurance premium, unless you have chosen to finance on a monthly basis

What documents are signed at closing?

Visit [Home Loan Learning Center’s closing guide](#) to find out which standard forms are signed at closing. Remember to talk to your attorney about what the forms entail and be sure to question anything that is not clear.

[Go back to Step 7: The Home Inspection](#)

[Back to Overview of Steps](#)



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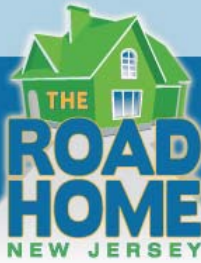
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Tools & Resources

- [Mortgage Calculator](#) - Estimate the total cost of your mortgage and monthly payments.
- [Affordability Calculator](#) - Determine how much house you can afford.
- [HMFA Approved Lender List](#)
- [HMFA Purchase Price and Income Limits](#)
- [Site Evaluator](#) - This new tool can be used to determine if a project is located in a Smart Growth Area and its eligibility for various HMFA financing programs.
- [Live Where You Work Participating Municipalities](#)
- [AnnualCreditReport.com](#)
- [Understanding Your Credit Report](#)
- [Credit Questions and Answers](#)
- [Building or Repairing Your Credit](#)
- [Mortgage Application Checklist](#) - Prepare to apply for a mortgage having the following documents and information ready.
- [Mortgage Application Process Flowchart](#)
- [FAQ](#)
- [HUD.gov](#) - U.S. Department of Housing and Urban Development
- [Realtor.com](#) - Official Site of the National Association of REALTORS®
- [NJMLS.com](#) - New Jersey Multiple Listing Service
- [NJAR.com](#) - New Jersey Association of REALTORS®
- [Realstornj.com](#) - New Jersey Association of REALTORS® Homebuyer Education Campaign
- [NJHousing.gov](#) - The New Jersey Housing Resource Center
- [ASHI.org](#) - American Society of Home Inspectors
- [NAHI.org](#) - National Association of Home Inspectors - New Jersey
- [NJALPHI.com](#) - New Jersey Association of Licensed Professional Home Inspectors
- [VA.gov](#) - U.S. Department of Veterans Affairs
- [Rurdev.usda.gov](#) - U.S. Department of Agriculture Rural Development Single Family Housing Loans and Grants



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Frequently Asked Questions

These questions and answers are intended to provide general information and are not the final word on program requirements. For more information: see the information for the program you are interested in, call a participating lender, or call our toll free hotline **1-800-NJ-HOUSE** (654-6873).

Am I a First-Time Homebuyer?

A first-time homebuyer is someone who has not owned a home for the past three years. If the house you are buying is in one of the designated Urban Target Area neighborhoods (use the [Site Evaluator](#) tool to determine if your property is within an Urban Target Area) you do not have to be a first-time buyer, however, you cannot own any other houses.

Do I have to be a New Jersey resident to apply for a loan?

No, but the property you are buying must be in New Jersey and you must occupy it as your principal residence.

Do I have to be a citizen of the U.S. to apply?

No, but you must be a permanent legal resident.

Are there income and purchase price restrictions for the First-Time and Urban Target Area Homebuyers?

Yes, the federal tax laws require that maximum household income and purchase prices be set for each county.

Where do I apply for a loan?

Loan applications are made through our [participating private lenders](#).

What are the requirements for the Police and Fire Mortgage Program?

Borrowers must be active members of the [Police and Fire Retirement System Mortgage Program](#) with at least one year of creditable service. There are no income or purchase price limits, but there is a maximum mortgage loan amount.

Can I refinance my loans with your program?

Because of federal tax code restrictions, refinancing is not available under the First-Time and Urban Target Area Homebuyer Program, except for those homeowners who want to substantially rehabilitate their residences. However, Police and Fire borrowers can refinance under the Police and Fire Mortgage Program.

What if I have bad credit or no credit?

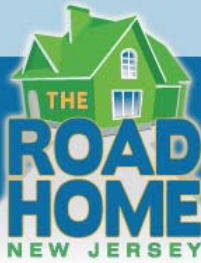
Every borrower's [credit history](#) has to be individually considered. It is not a good idea to make assumptions about whether one's credit is good or bad. You can have a [lender](#) to evaluate your credit history and pre-qualify you for a loan or advise you about what you need to do to prepare to become "mortgage ready." Credit counseling agencies are an excellent resource if your credit needs to be repaired.

How much can I borrow based on my salary?

The amount varies based on the interest rate, length of the mortgage term, taxes and insurance costs, condo fees, and other factors. There is a [mortgage calculator](#) on this website that can give you an estimated amount.

What is the New Jersey Housing and Mortgage Finance Agency?

[NJHMFA](#) is a statutorily authorized entity of the State of New Jersey. The Agency is empowered to raise money by issuing tax-exempt bonds. Since the Agency's borrowing costs are low, it can pass the savings along in the form of low-interest rate mortgage loans to qualified home buyers. The Agency also is empowered to finance multifamily rental housing and is the allocating agency for the federal Low Income Housing Tax Credit program.



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MEET THE KOPP FAMILY, GLASSBORO, NJ



GENERAL INFORMATION

[An Overview of the New Jersey Housing and Mortgage Finance Agency](#)

[Live Where You Work Program Fact Sheet](#)

[An Overview of the NJHMFA's CHOICE Program](#)

PRESS RELEASES

2009-Oct-26 [New Jersey Receives Two National Awards for Housing Initiatives](#)

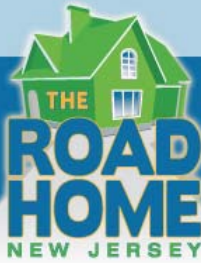
2009-Oct-14 [New Jersey's Special Needs Housing Trust Fund Wins National Award](#)

2009-July-29 [DCA & HMFA Welcome Newark to Live Where You Work Homebuyer Program](#)

2009-May-28 [\\$40 Million in Federal Tax Credit Assistance for Low Income Housing Development Announced](#)

EVENT PHOTOS

[Lender/Real Estate Professionals Training at HMFA, September 15-16, 2010](#)



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About HMFA

MISSION

The People We Serve

The [New Jersey Housing and Mortgage Finance Agency](#) (HMFA) provides funding for affordable home ownership and housing opportunities for New Jersey residents.

Our Expertise

HMFA responds to the needs of its residents by implementing creative programs and establishing alliances that:

1. Fund affordable home mortgages for first-time homebuyers;
2. Promote construction and rehabilitation of rental housing;
3. Encourage mixed-income, owner-occupied housing growth as a means to stabilize urban neighborhoods;
4. Advance the growth and development of municipalities;
5. Contribute to the quality of life of older adults, the disabled and those with special housing needs; and
6. Formulate partnerships to foster the economic development of New Jersey and the personal development of its residents.

Our Resources

HMFA raises program funds by:

1. Selling taxable and tax-exempt bonds to private sector investors in national financial markets;
2. Applying for and administering federal and state grants and housing assistance programs, and;
3. Fostering cooperative relationships with state, municipal, not-for-profit agencies and foundations.

HMFA does not rely on any direct funding from the State Treasury to meet its core operating or administrative expenses. HMFA does rely on progressive federal and state housing legislation to contribute to the vitality of the state's economy and the quality of life of its residents.

For more information, please visit our website at <http://www.nj-hmfa.com>