City Continues First Time Homebuyer Program

The City of Winston-Salem is continuing its successful Homeowners Second Mortgage Assistance Program for first-time homebuyers. A first-time homebuyer is defined as one who has not had an ownership interest in a principal residence for the preceding three years. The program's purpose is to assist the purchase of new housing by low to moderate income households. Areas currently covered include East Winston, Kimberly-North Winston and West Salem redevelopment areas.

The program combines two low-interest mortgage loans to make a home purchase more affordable. The principal loan is over a 15-year period and covers 70% of the total loan amount. The second mortgage (held by the City) covers the remaining 30% and "kicks in" only after the first loan is paid off.. Applicants for the program are qualified only on the first mortgage monthly payment.

Purchasers need only pay a 3% downpayment versus conventional financing which requires 5% to 20% down and costly mortgage insurance. Purchasers are required to pay at least $1,000 in closing costs. Some sellers, however, are paying any closing costs over and above the $1,000. Buyers may also be able to finance some of those costs. Total outlay of cash can be as low as $3,000. Total monthly mortgage payments (including taxes and insurance) can be under $550 per month on a $68,500 home, for example.

There are maximum household income requirements and other restrictions, as well as requirements such as occupying the dwelling within 60 days of loan closing. The City Housing/Neighborhood Development Department will meet with prospective homebuyers to see if they are eligible for the program, the maximum sales price for which they qualify, and if they qualify for a loan.

Appointments or additional information can be obtained by calling the Housing/Neighborhood Development Department at 727-8595.

By Katherine Rhew
Dancy Construction Company, Developer of SALEM POINTE II

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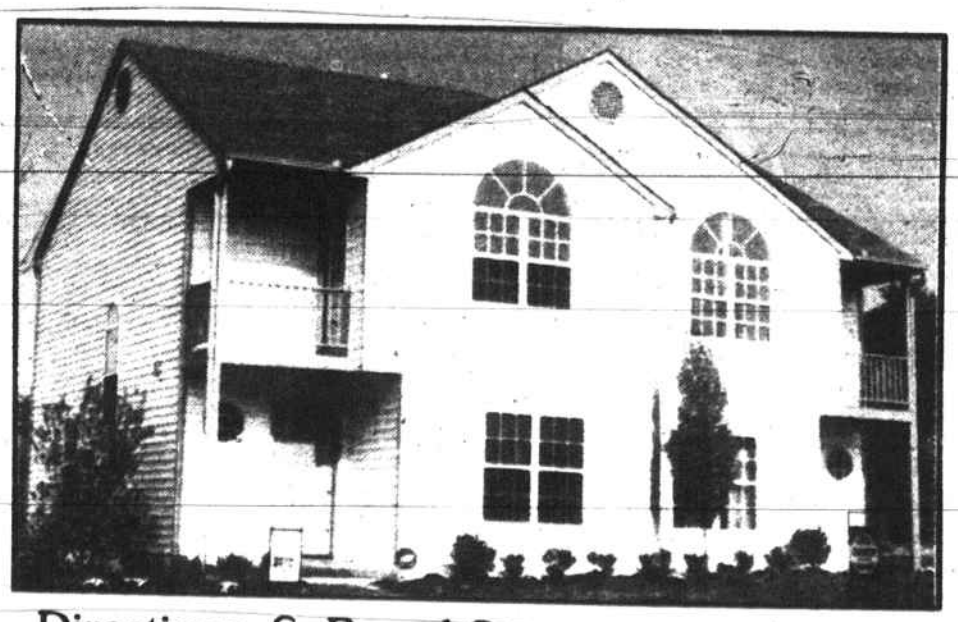

Directions: S. Broad Street, turn right onto Cotton Street, turn into Salem Pointe, finished model - 845 Salem Pointe Lane will be on the right.

OPEN HOUSE SUNDAYS
1:30pm - 5:00pm

For more information call:
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725-0106
OR
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