



HOME BUILDERS ASSOCIATION
OF NORTHERN KENTUCKY

Governor Announces Kentucky's New First-Time Homebuyer Incentive Program

FRANKFORT, Ky. – Gov. Steve Beshear announced on Wednesday a special initiative by the Kentucky Housing Corporation (KHC) to offer up to \$4,500 for down payment and closing costs for first-time home buyers who obtain a KHC home loan. The program will begin on May 1, 2009 and continue through Nov. 30, 2009.

The First Home Advantage Program provides a second mortgage with principal and interest payments deferred until July 1, 2010 for KHC-approved, first-time home buyers. A similar program was announced last month in Ohio.

“For many first-time home buyers, the biggest barrier to homeownership is the ability to pay upfront expenses, such as the down payment and closing costs,” said Gov. Beshear. “The innovative First Home Advantage Program will not only help qualified Kentucky home buyers overcome this barrier and realize their dream of owning a home, it will hopefully reinvigorate the housing market help get our economy moving in the right direction.”

The First Home Advantage Program offers a 10-year loan that defers payment with a zero percent interest rate until July 1, 2010. After the initial deferment period, the loan will fully amortize over ten years at the rate of 6 percent. If the borrower pays off the loan before July 1, 2010, KHC will forgive \$300 of the principal balance.

The American Recovery and Reinvestment Act of 2009, signed into law by President Barack Obama on February 17, 2009, provides first-time home buyers with an \$8,000 tax credit. After purchasing their home, home buyers have the opportunity to file for the housing tax credit provided by the stimulus on their 2009 tax returns and use the tax credit for the repayment of the First Home Advantage Program loan to take full advantage of the prepayment incentive.

“We want to do everything we can to help Kentucky homeowners purchase their new homes,” said Richard L. McQuady, chief executive officer of KHC. “The First Home Advantage Program allows home buyers to take advantage of every opportunity available to them in these difficult times.”

In order for home buyers to qualify for this program, they must obtain a KHC first mortgage through a KHC-approved lender, be a first-time home buyer, meet KHC income and purchase price guidelines, and have a 620 minimum credit score.

To learn more about KHC's homeownership programs, visit their web site www.kyhousing.org.