

First & New Program Instructions:

What is the First & New Program? First & New is a City of Moorhead incentive program to assist first time homebuyers who are purchasing newly constructed homes. A “First & New” buyer is eligible for a \$5,000 (0% interest) deferred loan to apply toward special assessment costs. The loan will be secured by a second mortgage.

How does the program work? Special assessments are financial obligations for the portion of infrastructure costs attributable to a particular building lot. Homebuyers pay these costs and applicable interest charges in semiannual installments (along with other property taxes) until the assessments have been paid in full. The First & New Program funds are applied to primary local improvements, including curb, gutter and paving, sewer and water services.

What is the benefit? The \$5,000 loan will not cover all of the costs of the special assessments, but it will offset some of the special assessment balance so interest payments are reduced. The loan is “deferred,” meaning no payments are required until you sell your home. The approximate monthly interest savings is \$46 resulting in an annual savings is \$552, which is a helpful reduction in housing costs for first time homebuyers.

How do I apply? Complete the application and return it to First-New@cityofmoorhead.com. Telephone 218.299.5311. Your participation in the First & New Program will be confirmed with a reservation number. Funds are available on a first come, first served basis until resources are depleted. Applications may be processed prior to, or up to 60 days subsequent to closing on the applicable property.

How do I document I am a First-Time Homebuyer? Applicants must attach documentation of first-time homebuyer status to their application. Documentation may be either:

- 3 years federal tax returns showing that the applicant has no home interest deductions, or
- Written verification from landlord(s) documenting the applicant has been a tenant for the past 3 years.
- A combination of these documents may be necessary depending on the filing status of federal returns. Call us to discuss.

What happens when I sell my home? You will be required to repay the \$5,000 whenever you sell your home or it is no longer your principal residence (if you rent it out). You will not owe any interest on the First & New loan. You and your Realtor or lender should evaluate the value of the program to you based on how long you intend to live in the home and any personal considerations.

Questions? For more information contact:

City of Moorhead
Attention: First & New Loan Program
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Moorhead MN 56560
218.299.5311
First-New@cityofmoorhead.com