

Homestead Incentive Program

Program Purpose:

To aid in the revitalization of St. Cloud Core Neighborhoods and help counter the trend of non-owner occupied homes. The St. Cloud HRA will provide an incentive to qualified buyers who purchase and homestead a St. Cloud Core Neighborhood property with a deferred loan of \$3,000.

Terms of the Loan:

The loan will be an interest free and payment free note that is due and payable in full at the time of sale, refinance or if the home ceases to be the owner's primary residence for any reason. It will also run co-terminus with their first mortgage therefore, it will not be forgiven at any time.

Buyer Qualifications:

- Property must be in a targeted Core Neighborhood
- Buyer does NOT need to be a first time homebuyer
- Homebuyer must meet income guidelines
- Homebuyer must Homestead the property
- Homebuyer must use traditional financing (no Contract for Deed or ARM financing)
- At least half of the down payment required by first mortgage financier must come from Homebuyer

Income Guidelines

| | | |
|----------------|-------------|----------|
| Household Size | 1-2 persons | \$77,400 |
| | 3 persons | \$89,000 |

The HRA will charge a \$150 Administration fee per loan. This fee can be included as a closing cost.