

WCDA Announces Rate Reductions, New Product

Wyoming's first-time homebuyers received good news today from the Wyoming Community Development Authority (WCDA), Wyoming's housing finance agency.

In an effort to continue its 30-year mission of helping Wyoming citizens finance affordable housing, the WCDA announced several changes to its existing single-family home financing products, as well as the creation of a new program that will work in conjunction with the federal economic stimulus activities.

The following gives a brief description of all the changes and the new offerings:

Standard First-Time Homebuyer Loan

The new rate for standard first-time homebuyer loans is now 4.50%. This is a fixed rate for 30-year mortgages. This is a reduction of one-half of one percent from the previous interest rate.

Spruce Up Wyoming I Loan

This is a first-time homebuyer loan product for buyers whose property needs at least \$5,000.00 in rehabilitation in conjunction with the purchase. The interest rate was also lowered to 4.50% fixed for 30 years.

Home Run I Loan

This is also a first-time homebuyer loan product, but it is for new construction. The purchase price limit for Home Run I loans is \$160,000.00. The step interest rate for Home Run I loans was lowered to: Years one through four – 1.50%; years five and six – 2.25%; years seven and eight – 3.00%; years nine and 10 – 3.75%; and years 11 through 30 – 4.50%.

Home Run II Loan

This is a first-time homebuyer loan product. It is also for new construction. The purchase price limit for Home Run II loans is \$185,000.00. The step interest rate for Home Run II loans was lowered to: Years one through four – 2.50%; years five and six – 3.00%; years seven and eight – 3.50%; years nine and 10 – 4.00%; and years 11 through 30 – 4.50%.

Down Payment & Closing Cost Loan

This is a second mortgage loan product to help first-time homebuyers finance much of the up-front cash requirements of closing costs and down payments. Details of this loan product include a lowering of the interest rate to 5.50% for people whose household income is \$63,900.00 or lower and 6.50% for those whose household income is higher than \$63,900.00. This loan has a maximum term of 96 months (8 years) and the maximum amount that can be borrowed is \$18,000.00. Borrowers must have a 620 or higher credit score and their total debt to income ratio cannot exceed 41%.

Monetization of Federal Tax Credit

This new program works with the Down Payment & Closing Cost loan product above. It allows first-time homebuyers to immediately take advantage of the benefits provided under the American Recovery and Reinvestment Act of 2009 in which qualified first-time homebuyers who purchase their home between January 1, 2009 and December 1, 2009 may receive up to an \$8,000.00 tax credit (or 10% of the purchase price of the home, whichever is less). This new WCDA product allows our borrowers to have access to an extra \$8,000.00 up front when they are purchasing their homes and then "re-pay" that amount when they receive their 2009 tax refund. At that time, WCDA can lower their Down Payment & Closing Cost loan monthly payment by re-amortizing the lower principal balance over the remaining term.

"All of these changes and new products are intended to help our first-time homebuyers in Wyoming during this economically challenging time," David Haney, WCDA executive director, said. "I can't imagine a better time to purchase a first home than right now."

The potential homebuyers must meet income and purchase price limits.

Call me for more details.

Jerry A. Hodson

Broker

P.O. Box 846, Thayne, Wyoming, 83127

<http://www.westernwyomingproperties.com>

Cell 307-690-4010

Fax 307-883-5856

*Western Wyoming
Properties, LLC*