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FIRST-TIME HOME BUYER DOWN PAYMENT ASSISTANCE PROGRAM

2026 EXPANDED PROGRAM GUIDELINES

(updated May 2026)

Important: Please retain this copy of the program guidelines after you send in the application as it contains important program information.

1. GOAL: To help make the "American Dream" of homeownership a reality for first-time homebuyers in the City of New Rochelle.

2. GRANT ASSISTANCE: The City of New Rochelle First-Time Home Buyer Down Payment Assistance Program provides zero-interest deferred loans that are forgiven after 5 years. The assistance provided will be up to 19% (not to exceed $125,590.00) of the purchase price of a single-family home depending on the qualification of the homebuyer and is towards the down payment on a new home. This program does not fund closing costs. The applicant will be required to sign a Note & Mortgage which is subordinate to the bank or lending institution that will be providing the primary mortgage.

3. ELIGIBILITY CRITERIA: An applicant must
   a) Be a New Rochelle resident, worker or business owner and complete self-certification form:
      - Current New Rochelle Resident (minimum of 12 months permanent residency)

      - OR -

      - Eligible member of the workforce of New Rochelle (certified that you are employed in a full-time role that requires you to report to a work location based within the City of New Rochelle or owner of a business within the City of New Rochelle.

      - OR -

      - Former New Rochelle Resident (lived in New Rochelle for at least 2 years as evidenced by verifiable proof of prior residence.) Proof of residency may include tax returns, utility bills, bank or credit card statements, and/or school transcripts.

      - AND -

   b) Be a First-Time Homebuyer
      - Defined by the U.S. Department of Housing and Urban Development (HUD) as a household that has not owned a home during the three-year period immediately prior to the purchase of a primary residence with HOME and the City's Affordable Housing Fund.
      - This requirement will be waived for U.S. military veterans possessing a DD-214, verifying honorable service.

   c) Be a Low to Moderate Income Household. All applicant households must have a gross annual income not exceeding 80% of the area median income as determined by HUD (see chart that follows).
   d) Have tax returns and pay stubs (or other applicable documentation) to prove a minimum annual household income of at least $40,000.

e) Attend a mortgage counseling session at a HUD certified not-for-profit housing agency and submit proof of attendance (a certificate of completion) with the application. Each individual named on the mortgage must attend mortgage counseling to qualify.
f) Have sufficient financial resources and credit to qualify for a mortgage.
g) Occupy the subject property as a principal residence during the entire Affordability Period, as defined in these Guidelines.
h) Not have entered into a Contract of Sale to purchase a home prior to being issued a Purchaser Certificate by the City of New Rochelle.

4. 2026 INCOME GUIDELINES: The maximum permitted gross annual household income for applicants shall not exceed 80% of the area median annual household income as determined by HUD. Such amounts are set forth below. The Maximum Allowable Income in Westchester County may change annually. Please consult our website for income and Property Value Limit Updates.

Household Size	Maximum Allowable Income	Minimum Annual Income
1	$88,100	$40,000
2	$100,700	$40,000
3	$113,300	$40,000
4	$125,850	$40,000
5	$135,950	$40,000
6	$146,000	$40,000

❖ HOME Income Limits and 80% Uncapped Income Limits, **June 1, 2026.**
- HUD Programs including, but not limited to HOME, CDBG, Section 8 pursuant.

*Please note that the maximum allowable income includes all income such as overtime, bonuses, pensions, social security, 401k distributions, tips, etc. Your gross income cannot exceed the maximum annual income for your household size. When reviewing your application, the City of New Rochelle must project the income that will be earned for the upcoming 12-month period; this is done by calculating your pay using your current pay stubs, a letter from your employer verifying your salary, or an Employment Verification Request.

5. HOMEBUYER CONTRIBUTION: The applicant is required to contribute, from their own funds, at least one (1) percent of the home's purchase price towards the down payment.

6. PROPERTY VALUE LIMIT (Based on the HOME and Housing Trust Fund Homeownership Sales Price Limits as of 07.02.2025): The maximum appraised value of a single-family residence to be purchased within the City of New Rochelle cannot exceed **$661,000.00** for existing housing.

7. TYPES OF ELIGIBLE HOUSING: Pre-existing or newly constructed single-family residences located within the City of New Rochelle must be occupied as a principal residence, including single-family houses, condominiums, cooperative apartments (co-ops).

8. Mortgage Counseling and Homebuyer Education Requirements: Applicants must have adequate financial resources and credit to qualify for a mortgage. In order to help you with the home buying process, it is required that all applicants obtain one-on-one/in person mortgage counseling. Some of these housing agencies are listed below. There may be a fee for counseling services. These organizations have a great deal of knowledge in this field and can advise you on many aspects of purchasing a home and securing a mortgage. Even though it is the responsibility of the applicant to secure a mortgage, some of these housing agencies can refer you to banks that offer first-time homebuyer mortgage products. They can also assist you with clearing up any credit problems you might have. Therefore, you are advised to schedule an appointment as soon as possible. All applicants are required to provide a mortgage counseling

certificate with their application as proof that the counseling was completed. Please click on the link for a full list of HUD-certified not-for-profit mortgage counseling agencies in New York, to find a class near you. https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm

8. PURCHASER CERTIFICATE: Purchaser Certificates will be issued to eligible applicants in the order in which the applications are received by the City of New Rochelle. Program funds are limited. This Purchase Certificate, issued by the City of New Rochelle, represents a sum of up to 19% (not to exceed $125,590.00) toward the down payment of the Grant Recipient's purchase of an owner-occupied single-family residence.

   Applicants will be notified when all available Purchaser Certificates have been issued and a waiting list has been established. Eligible applicants who are issued Purchaser Certificates will have 90 days from the date the Certificate is issued to submit a fully executed Contract of Sale to the City of New Rochelle. Failure to return a fully executed Contract of Sale by that date shall result in the automatic nullification of the Purchaser Certificate. As Purchaser Certificates are nullified, new Certificates will be offered to eligible applicants on the waiting list in order. If the purchase is for new construction, the applicant will have 300 days to close on the subject property the City of New Rochelle recommends that your attorney or representative include a clause in your contract that nullifies it in the event that you are found to be ineligible for the First-Time Home Buyer Down Payment Assistance Program.

   All applications are subject to underwriting as part of City of New Rochelle's review process. Underwriting calculations will be done using information from the bank's mortgage application. Ratios must fit within the City of New Rochelle parameters. Housing Debt to Income, Total Debt to Income and Mortgage Amount to Appraised Value.

Ratios	Parameters
Front End Ratio: DTI (Housing Debt to Income)	38%
Back End Ratio: TDTI (Total Debt to Income)	45%
Loan to Value: LTV (Mtg amt to Appraised Value)	80%

9. INSPECTION: Prior to entering into a Contract of Sale, the buyer must arrange for a property inspection to determine whether or not the property meets certain standards. When the City receives the results of the inspection, you will be informed if the City has approved the inspection. If the property fails the inspection, you will have the opportunity to have the house re-inspected upon correction of any deficiencies. Properties that fail re-inspection will not be funded.

   Additionally, the home must be free of lead-based paint and meet the standards contained in the "Certification of Property Standards which will be provided to you and must be signed by the homebuyer and the Inspector. The City of New Rochelle will not fund any property that does not meet the requirements outlined in the "Certification of Property Standards". The City of New Rochelle will not be held responsible for the loss of a down payment or any other damages which may arise as a result of any property's failure to pass the inspection.

10. OBTAINING THE GRANT ASSISTANCE: As a condition to obtaining assistance, applicants are required to submit to the City of New Rochelle Department of Development or its designee copies of the following documents as soon as they are available:
    a. Mortgage Counseling Certificate
    b. Fully executed Pre-Contract Agreement. This agreement will be provided, by the City of New Rochelle, to all eligible applicants at the time a Purchaser Certificate is issued.
    c. Fully executed Contract of Sale (copy).
    d. Visual Inspection Report from an EPA Certified Lead Based Paint Inspector. This report must be completed by an EPA Certified Lead Based Paint Inspector or submit proof that the house was built after 1978.
    e. e. Mortgage Application (copy): also known as:
        i. Universal Residential Loan Application
        ii. Freddie Mac Form 65
        iii. Fannie Mae Form 1003
    f. Appraisal of the Subject Property (copy).

g. Mortgage Commitment (copy).
h. Fully executed and notarized Down Payment Assistance Agreement.

In order to receive the assistance, eligible applicants will be required to sign a Note & Mortgage to secure the terms of the grant. Please note those applicants purchasing a co-op will be required to sign a Note & Security Agreement and the City of New Rochelle will file a UCC-1 statement in order to secure the grant assistance. Before submission, please make sure your application and all accompanying documentation is complete and accurate. Once received by the City of New Rochelle, any changes to your application could place your application at risk of being moved to the end of the application list.

11. RESTRICTIONS:
    a. When searching for a home, the subject property that is to be purchased cannot displace an existing tenant. The house must be vacant, occupied by the owner, or occupied by the purchaser as a tenant. Both the purchaser and seller will be required to sign a "PRE-CONTRACT AGREEMENT" in order to verify that this restriction is not being violated. This document will be sent to you when the Purchaser Certificate is issued.
    b. The applicant must not have entered into a Contract of Sale to purchase the subject property prior to being approved for the City of New Rochelle Down Payment Assistance Program and issued a Purchaser Certificate from the City of New Rochelle.
    c. All houses constructed prior to 1978 must pass a Visual Inspection for the presence of lead-based paint. This report must be completed by an EPA-Certified Lead Based Paint Inspector. Houses built after 1978 are exempt from this requirement and applicants must submit proof of this fact.
    d. Private mortgages are not allowed. Mortgages must be through a licensed and recognized lending institution.
    e. No Short Sales allowed. No foreclosures allowed.
    f. No Bank Owned Properties are allowed.
    g. No Cash-out at closing allowed.
    h. Non-occupying co-borrowers/co-signers/guarantors are not permitted.
    i. 100% financing is Not Permitted.
    j. Interest Only Mortgages and Adjustable-Rate Mortgages are Not Permitted.
    k. "No Doc" Loans or No Income Check Loans are Not Allowed.
    l. 80/20 Loans are Not Allowed.

12. CLOSING: The funds will be provided to the applicant by City of New Rochelle at the closing. A representative of the City of New Rochelle Department of Development or its designee will attend the closing and will provide a City-issued check.

    The Down Payment Assistance is a zero-interest deferred payment loan that will be forgiven at the end of the five-year term as long as the homeowner does not sell, transfer, lease/rent, deed or convey all or part of the property or any interest within five years from the date of closing.

    Recipients will be required to verify that they are still living in the funded property for the five-year term of the Note & Mortgage.

13. ANNUAL RE-CERTIFICATION: All eligible applicants who receive the down payment assistance will be required to live in the subject property as their principal residence for a period of five (5) years beginning on the closing date. The City of New Rochelle Department of Development or its designee reserves the right to perform an in-person inspection of the home during each year the house is within the affordability period (5 years).

    A monitoring affidavit will be mailed annually to the grant recipient in order to verify in writing that the subject property is being maintained and in compliance with the following guidelines:

    - Grant recipients are the current owners of the subject property.
    - The subject property is currently occupied as the grant recipient's primary residence.

- The subject property is properly insured and maintained in agreement with the terms of the Note and Mortgage or the Note & Security Agreement.
- No interest in the subject property has been sold, leased/rented or transferred, deeded or conveyed. There is a required five (5) year affordability period for the program, after which the Note & Mortgage will be forgiven and no repayment is required. Upon completion of the five (5) year affordability period the homeowner will be issued a "Satisfaction of Mortgage" from the City of New Rochelle. Please note that the homeowner will be responsible for all fees associated with filing the Satisfaction of Mortgage.

If the grant recipient sells, transfers, leases/rents, deeds or conveys all or part of the property or any interest within five years from the date of closing, or the residence goes into foreclosure, the note is in default. In the event of default, the amount of down payment assistance to be recaptured will be calculated by reducing the original grant amount by 20% for each year completed of the five-year affordability period with the period beginning on the date of closing. The grant amount remaining will be recaptured at the closing of the sale or transfer of the property.

The following chart assumes an original subsidy of $15,000 as an example:

Amount to be Recaptured:	Percentage to be Recaptured	Occupancy Period of from the Date of Closing:
$15,000	100%	Up to 12 months
$12,000	80%	13 months to 24 months
$9,000	60%	25 months to 36 months
$6,000	40%	37 months to 48 months
$3,000	20%	49 months to 60 months
$ 0	0%	At the end of 60 months

If the grant recipient is found to be in violation of the restrictions of the 5-year affordability, the City of New Rochelle will require repayment of the amount to be recaptured of the Down Payment Assistance grant.

Upon sale or transfer of the property, title transfer, or death of the qualifying person, repayment of the existing grant amount will be required in accordance with the Note. Additionally, if at any time that this Note and Mortgage is in effect, the grant recipient fails to occupy the Property as his/her principal residence, a default fee of $5,000 will be added to the Recapture Obligation.

APPLICATION PROCEDURE: Be sure to include all required documentation with your application as stated on the application checklist. Complete applications will be evaluated on a first-come first-served basis. Incomplete applications will be reprioritized on the list. Applications may be returned by USPS mail to:

Westchester Residential Opportunities, Inc.
Attn: Homeownership Department
470 Mamaroneck Ave, Suite 410
White Plains, NY 10605

- If you want confirmation of delivery, please have your application submission sent "Certified Mail, Return Receipt Requested" as the City of New Rochelle cannot confirm receipt by phone.
- Do not send any original documents; the City of New Rochelle Office of Housing, is not responsible for their return.
- Application packages may be hand delivered to the **Westchester Residential Opportunities, Inc., 470 Mamaroneck Ave, Suite 410 White Plains, NY 10605.**
- Applicants will be notified of their eligibility status by mail only, as soon as a determination has been made.

Applicants are strongly encouraged to type their information into the application.

THE GUIDELINES AND APPLICATION CAN BE DOWNLOADED BY CLICKING ON THE CITY OF NEW ROCHELLE WEB-SITE: https://www.ideallynewrochelle.com/down-payment/

The City of New Rochelle reserves the right to nullify and/or void any Purchaser Certificate issued for the City of New Rochelle Down Payment Assistance Program based on funding availability and any changes in eligibility status prior to closing as funding is limited.

The City of New Rochelle is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of the applicant's failure to adhere to the terms of the City of New Rochelle Down Payment Assistance Program Guidelines, as stated in this document.

Please retain the program guidelines and submit the application portion.

I understand and acknowledge that I have read the entire City of New Rochelle First-Time Home Buyer Down Payment Assistance Program Guidelines.

Applicant (Signature)	Applicant (Print Name)	Date
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