

DOWN PAYMENT AND CLOSING COSTS PROGRAMS

HOME / HOMEOWNERSHIP PROGRAMS / DOWN PAYMENT AND
CLOSING COSTS PROGRAMS

You're Almost Home

You have plenty to worry about when buying a home. The Iowa Finance Authority is happy to take some of that off your hands. When you use one of our down payment and closing costs assistance programs in conjunction with our mortgage programs, homebuying is affordable and easy.

FirstHome

The FirstHome program can either give you:

A down payment and closing costs assistance grant **OR** a 2nd Loan program loan, not both.

Please note: You cannot combine FirstHome down payment and closing costs options with Homes for lowans down payment and closing costs options.

FirstHome Down Payment and Closing Costs Assistance Options

- GRANT

The down payment and closing costs assistance grant provides homebuyers with a \$2,500 grant to assist with down payment and closing costs.

- LOAN

The 2nd Loan program offers a loan of up to 5% of the home's sale price with no maximum and is repayable at time of sale, refinance or first mortgage is paid in full. No monthly payment required!

FirstHome Eligibility Requirements

- HOUSEHOLD INCOME LIMIT

Maximum household income limits vary by county and range from \$95,200 – \$115,400 for a household of two.

- HOME PURCHASE PRICE LIMIT

\$481,000. May be up to \$588,000 in targeted areas – use the **Eligibility Quick Check** to determine if the home is located in one of the targeted areas.

- REAL ESTATE HISTORY

Must be a first-time homebuyer

A first-time homebuyer is defined as not owning your primary residence in the last three years.

OR

Be a military member with discharge of other than dishonorable and not previously used a mortgage revenue bond program such as FirstHome previously to finance a home purchase.

OR

Purchase a home in a Targeted Area (please use the **Eligibility Quick Check** to determine if you're purchasing in a Targeted Area).

- OCCUPANCY

The home must be occupied by the buyer as a primary residence within 60 days of closing.

- CREDIT SCORE

All loans subject to a minimum 640 credit score. For cases where borrower has no credit score, non-traditional credit documentation allowed in accordance with agency guidelines for the loan type.

- DEBT-TO-INCOME RATIO

The maximum debt-to-income ratio is 50% with an approve/eligible (Manual underwriting remains at 45%)

- GET STARTED **FIRST HOMES AHEAD**

Homes for lowans

The Homes for lowans program offers the 2nd loan down payment and closing costs assistance option.

Please note: You cannot combine Homes for lowans down payment and closing costs options with FirstHome down payment and closing costs options.

Homes for lowans Down Payment and Closing Costs Assistance

- LOAN

The 2nd Loan program offers a loan of up to 5% of the home's sale price with no maximum and is repayable at time of sale, refinance or first mortgage is paid in full. No monthly payments required!

Homes for lowans Eligibility Requirements

- HOUSEHOLD INCOME LIMIT

\$161,560

- HOME PURCHASE PRICE LIMIT

\$588,000

- REAL ESTATE HISTORY

Homes for lowans is available to first-time and repeat homebuyers who are purchasing a primary residence in Iowa.

- OCCUPANCY

The home must be occupied by the buyer as a primary residence within 60 days of closing.

- CREDIT SCORE

All loans subject to a minimum 640 credit score.

- DEBT-TO-INCOME RATIO

The maximum debt-to-income ratio is 50% with an approve/eligible (Manual underwriting remains at 45%)

- GET STARTED **NEW HOMES AHEAD**

Military Homeownership Assistance Program

The Military Homeownership Assistance program provides a **\$5,000** grant to eligible service members and veterans for down payments and closing costs on qualifying homes. The funds may be used in conjunction with the FirstHome and Homes for lowans programs.

Program Details

Combined Down Payment Assistance

This down payment and closing cost assistance can be combined with IFA's other programs.

Here is an example of how you can combine IFA programs.

Combine Programs to get \$10,000

This example outlines someone who qualifies for the Military Homeownership Assistance and 2nd Loan opportunity.

- 2ND LOAN
\$5,000
- MILITARY HOMEOWNERSHIP ASSISTANCE
\$5,000
- **TOTAL \$10,000**

FIRSTHOME PROGRAM

HOME / HOMEOWNERSHIP PROGRAMS / MORTGAGE PROGRAMS / FIRSTHOME PROGRAM

Let the Adventure Begin

You've passed many milestones of firsts in your life, and holding the keys to your first home may be the best yet. With your local lender, realtor and the Iowa Finance Authority all on your team, you can rest assured knowing we've got you covered.

Benefits to FirstHome

- INTEREST RATES

Interest rates are typically lower than the market rate and have fewer fees. Credit score does not affect the interest rate.

- DOWN PAYMENT

The amount of down payment is determined by loan type. Loans may require only 3% down payment and may include reduced mortgage insurance coverage for borrowers with lender's qualifying income of less than 80% of the Area Median Income. Down payment and closing cost assistance programs are available to help cover upfront expenses.

- FREE IOWA TITLE GUARANTY OWNER'S CERTIFICATE

Borrowers may request a free Iowa Title Guaranty Owner's Certificate at closing. With this certificate, if a title issue arises Iowa Title Guaranty will be there to step in and assume attorneys' fees, costs and expenses associated with defending the title to your home. While title defects are not common in Iowa, they do occur. At no cost to you, an Iowa Title Guaranty Certificate is more than worth it.

Eligibility Requirements

- HOUSEHOLD INCOME LIMIT

Varies by county and household size and ranges from \$95,200-\$132,710.

- HOME PURCHASE PRICE LIMIT

\$481,000—may be up to \$588,000 in targeted areas—use the eligibility checker below to determine if the home is located in one of the targeted areas.

- REAL ESTATE HISTORY

Must be a first-time homebuyer. A first-time homebuyer is defined as not owning a primary residence in the last three years.

OR

Be a military member with discharge of other than dishonorable and not previously used a mortgage revenue bond program such as FirstHome to finance a home purchase.

OR

Purchase a home in a Targeted Area (please use the eligibility quick check tool to determine if you're purchasing in a Targeted Area).

- OCCUPANCY

The home must be occupied by the buyer as a primary residence within 60 days of closing.

- CREDIT SCORE

All loans subject to a minimum 640 credit score. For cases where borrower has no credit score, non-traditional credit documentation allowed in accordance with agency guidelines for loan type.

- DEBT-TO-INCOME RATIO

The maximum debt-to-income ratio is 50%.

- HOMEBUYER EDUCATION

Required on conventional loans only. If all borrowers are first-time homebuyers then only one of the borrowers must complete the education. More details and course options can be found [here](#).

- ELIGIBILITY CHECKER Use our Eligibility Checker to find out if you qualify for a FirstHome Loan. **CHECK ELIGIBILITY**

Application Process

- CONTACT IFA PARTICIPATING LENDER

Interested homebuyers must apply for this financing by contacting an IFA participating lender.

- VERIFICATION OF ELIGIBILITY

The lender will collect the necessary documents to verify eligibility, process and underwrite the loan application.

- **CLOSING**

If the homebuyer is eligible, the lender will guide them through the closing process and to collecting the keys to their first home.

- **FIND A LENDER** Get started on your FirstHome application by finding a lender. **FIND A LENDER**

Down Payment Assistance

We're here to help you every step of the way. Pair one of our down payment assistance programs with your FirstHome mortgage to help with down payment and closing costs. The same FirstHome eligibility requirements apply.

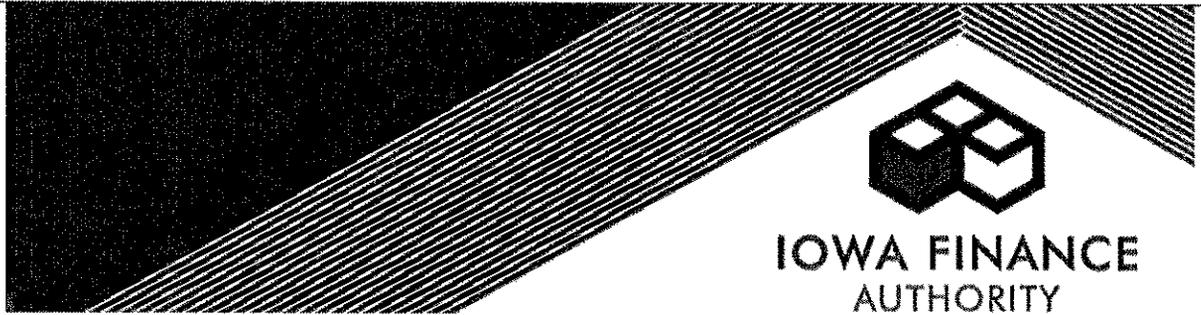
- **GRANT:** The down payment assistance grant provides home buyers with a \$2,500 grant to assist with down payment and closing costs.
OR
LOAN: The 2nd Loan program offers a loan of up to 5% of the home's sale price with no maximum and is repayable at time of sale, refinance or first mortgage paid in full. No monthly payment required!
- **MORE DOWN PAYMENT ASSISTANCE** But wait...there's more! The grant and 2nd loan programs can also be combined with other down payment and closing cost programs. **SEE PROGRAMS**

SUMMARY



Since 1995, FHLB Des Moines has awarded \$155.7 million in down payment and closing cost assistance to help more than 32,700 families with the purchase of a home. Through our Home\$tart program, eligible households may receive \$15,000 and households completing a home purchase in Hawaii may receive \$25,000 in down payment and closing cost assistance.





February 16, 2024

The Iowa Finance Authority's interest rates as of Friday, February 16, 2024, at 11:00 a.m. are below. The rates that will change are indicated in red.

Get rates online any time and view the printable version at:
IowaFinance.com/interest-rates.

Mortgage rate lock-in period is 60 days. In the event reservation period expires, the loan may be re-locked within ten days of scheduled closing at higher of original or current rate and fees, as applicable.

Government Insured FHA/VA/RD

Program	Rate
FirstHome	6.250
FirstHome Plus	6.500
FirstHome w/ 2nd Loan	6.500
Homes for lowans	7.000
Homes for lowans w/ 2nd Loan	7.500

Conventional

Fannie Mae HFA Preferred

Program	Rate
FirstHome	6.625
FirstHome w/ 2nd Loan	6.875
Homes for lowans	7.250

Homes for lowans w/ 2nd Loan

7.750

Freddie Mac HFA Advantage

Program

Rate

FirstHome

6.625

FirstHome Plus

6.875

FirstHome w/ 2nd Loan

6.875

Homes for lowans

7.250

Homes for lowans w/ 2nd Loan

7.750

*Please note an origination fee of up to 1% may be charged on all products. You can review our program parameters for additional eligibility information.

Once a purchase agreement has been executed, rates may be locked for 60 days by an IFA Participating Lender using our online lender portal, Lender Online. The applicable mortgage loan must close during the lock period and must be delivered to IFA's servicer within 30 days of closing to receive the rate and pricing listed above.

iowafinance.com 800.432.7230 515.452.0400
1963 BELL AVENUE SUITE 200 DES MOINES, IOWA 50315

As of February 2, 2024, Home\$tart funds have been depleted.

Check back frequently as funds may become available as reservations are withdrawn.

Additional funds will be added throughout the year based on the schedule below. The next funding date is on April 1, 2024.

As a reminder, please remember to monitor your pipeline for expiring reservations.

PROCESSING TIMES FOR RESERVATIONS

PROCESSING TIMES FOR DISBURSEMENTS

2024 Home\$tart Funding Schedule

Date of Funds	Home\$tart Amount
Tuesday, January 2, 2024	\$2,100,000
Monday, April 1, 2024	\$2,100,000
Monday, July 1, 2024	\$2,100,000
Tuesday, October 1, 2024	\$2,100,000

Home\$tart Process

Click on one of the steps below to guide you through the Home\$tart process.

Why participate in Home\$tart?





Since 1995, FHLB Des Moines has awarded \$155.7 million in down payment and closing cost assistance to help more than 32,700 families with the purchase of a home. Through our Native American Homeownership Initiative (NAHI), eligible households may receive \$25,000 for down payment and closing cost assistance.



As of February 6, 2024 NAHI funds have been depleted.

Check back frequently as funds may become available as reservations are withdrawn.

Additional funds will be added throughout the year based on the schedule below. The next funding date is on April 1, 2024.

As a reminder, please remember to monitor your pipeline for expiring reservations.

PROCESSING TIMES FOR RESERVATIONS

PROCESSING TIMES FOR DISBURSEMENTS

2024 NAHI Funding Schedule

Date of Funds	NAHI Amount
Tuesday, January 2, 2024	\$150,000
Monday, April 1, 2024	\$150,000
Monday, July 1, 2024	\$150,000
Tuesday, October 1, 2024	\$150,000

**Native American
Homeownership Initiative
Process**

**Why participate in the
Native American
Homeownership Initiative?**



Click on one of the steps below to guide you through the Native American Homeownership Initiative process.

1. [Get Started](#)
2. [Reservation of Funds](#)
3. [Disbursement/Reimbursement of Funds](#)

Already know the process? [Find the forms and resources you need here.](#)

Questions? Contact our Community Investment Department at communityinvestment@fhlbdm.com.

- Meet Community Reinvestment Act objectives to serve low-to moderate-income households
- Provide grants to expand market share or increase penetration in existing markets
- Improve loan-to-value ratios on mortgage loans
- Build community goodwill
- Promote your corporate brand
- Help families in your community realize their homeownership dreams by providing down payment and closing cost assistance

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Income Limits and Purchase Price Limits

Income limits and purchase price limits are in effect until superseded by an update from the Federal Home Loan Bank of Des Moines.

Applicable limits and effective dates are indicated below. For additional assistance, please [contact the Community Investment Department](#).

HUD Income Limits

HUD Income Guidelines are for use in rental or homeownership projects. In the tables Very Low Income is defined as 50 percent of Area Median Income (AMI) and Low Income as 80 percent of AMI. Per HUD guidelines, 60 percent of AMI is calculated by multiplying the Very Low Income limit by 1.20. **Limits are effective May 15, 2023.**

- [HUD Income Limits](#)

NAHASDA Income Limits

Native American Housing and Self Determination Act (NAHASDA) income limits are for use in homeownership and rental projects for households eligible for NAHASDA assistance from a Tribally Designated Housing Authority (enrolled members of American Indian or Alaska Native tribes), or Native Hawaiians eligible for Title VIII-Housing Assistance (Native Hawaiians

- [How-to Guide \(.pdf\)](#)

Maximum Purchase Price Limits

State Mortgage Revenue Bond Maximum Purchase Price Limits for non-targeted areas are for use with homeownership projects.

- [Alaska \(.pdf\)](#) **Effective June 14, 2023**
- [Guam, Northern Mariana Islands, American Samoa \(.pdf\)](#) **Effective with IRS Rev. Proc. 2022-21**
- [Hawaii \(.pdf\)](#) **Effective May 3, 2023**
- [Idaho \(.pdf\)](#) **Effective July 26, 2023**
- [Iowa \(.pdf\)](#) **Effective June 8, 2023**
- [Minnesota \(.pdf\)](#) **Effective December 13, 2023**
- [Missouri \(.pdf\)](#) **Effective April 20, 2023**
- [Montana \(.pdf\)](#) **Effective May 23, 2023**
- [North Dakota \(.pdf\)](#) **Effective July 1, 2023**
- [Oregon \(.pdf\)](#) **Effective May 4, 2023**

who reside on Hawaiian Home Lands). The attached document provides limits for the United States and for areas of Alaska. For Hawaii, use the United States limit. Limits shown in the attached document are 80% of area median income (AMI). For Competitive Affordable Housing Program projects that targeted 50% or 60% of AMI, inquire with the Bank on applicable limits.

Limits are effective July 6, 2023.

- [NAHASDA Income Limits \(.pdf\)](#)
- [What is NAHASDA?](#)

- [South Dakota \(.pdf\)](#) **Effective May 31, 2023**
- [Utah \(.pdf\)](#) **Effective May 31, 2023**
- [Washington \(.pdf\)](#) **Effective May 31, 2022**
- [Wyoming \(.pdf\)](#) **Effective June 28, 2023**

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Feedback

Choose the State, County, and Metropolitan Area.

State

Iowa

County

Boone County

Metropolitan Area

Boone County

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Very Low Income	39650	39650	39650	39650	52350	52350	52350	52350
Low Income	63450	63450	63450	63450	83750	83750	83750	83750
Moderate Income - Guaranteed Loan	91900	91900	91900	91900	121300	121300	121300	121300

HB - 1 - 3555, Appendix 5

GUARANTEED HOUSING PROGRAM INCOME LIMITS

STATE: IOWA

----- FY 2023 A D J U S T E D I N C O M E L I M I T S -----

P R O G R A M 1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8 PERSON*

Area	Income Type	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON*
Ames, IA MSA									
Ames, IA HUD Metro FMR Area									
	VERY LOW INCOME	53200	53200	53200	53200	70250	70250	70250	70250
	LOW INCOME	85100	85100	85100	85100	112350	112350	112350	112350
	MOD. INC-GUAR. LOAN	122350	122350	122350	122350	161500	161500	161500	161500
Boone County, IA HUD Metro FMR Area									
	VERY LOW INCOME	45550	45550	45550	45550	60150	60150	60150	60150
	LOW INCOME	72900	72900	72900	72900	96250	96250	96250	96250
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050
Cedar Rapids, IA MSA									
Benton County, IA HUD Metro FMR Area									
	VERY LOW INCOME	47650	47650	47650	47650	62900	62900	62900	62900
	LOW INCOME	76250	76250	76250	76250	100650	100650	100650	100650
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050
Cedar Rapids, IA HUD Metro FMR Area									
	VERY LOW INCOME	47300	47300	47300	47300	62450	62450	62450	62450
	LOW INCOME	75700	75700	75700	75700	99900	99900	99900	99900
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050
Jones County, IA HUD Metro FMR Area									
	VERY LOW INCOME	44150	44150	44150	44150	58300	58300	58300	58300
	LOW INCOME	70650	70650	70650	70650	93250	93250	93250	93250
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050
Davenport-Moline-Rock Island, IA-II MSA									
	VERY LOW INCOME	44200	44200	44200	44200	58350	58350	58350	58350
	LOW INCOME	70700	70700	70700	70700	93300	93300	93300	93300
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050
Des Moines-West Des Moines, IA MSA									
Des Moines-West Des Moines, IA HUD Metro FMR Area									
	VERY LOW INCOME	52150	52150	52150	52150	68850	68850	68850	68850
	LOW INCOME	83450	83450	83450	83450	110150	110150	110150	110150
	MOD. INC-GUAR. LOAN	119950	119950	119950	119950	158350	158350	158350	158350
Jasper County, IA HUD Metro FMR Area									
	VERY LOW INCOME	41750	41750	41750	41750	55150	55150	55150	55150
	LOW INCOME	66800	66800	66800	66800	88200	88200	88200	88200
	MOD. INC-GUAR. LOAN	110650	110650	110650	110650	146050	146050	146050	146050

* ADD 8% OF 4 PERSON LIMIT FOR EACH PERSON IN EXCESS OF 8 PERSONS
 ** MODERATE INCOME IS DEFINED AS THE GREATER OF 115% OF THE U.S. MEDIAN FAMILY INCOME OR 115% OF THE AVG. OF THE STATE-WIDE AND STATE NON-METRO MEDIAN FAMILY INCOMES OR 115/80THS OF THE AREA LOW-INCOME LIMIT

(07/13/2023) PN 587

