RESOURCES FOR FIRST TIME HOMEBUYERS

- Massachusetts Department of Housing and Community Development (DHCD) First Time Home Buyer (FTHB) Resources
    - Partner agencies in Massachusetts provide education, mortgage programs and more assistance for families and individuals to find the right home. Although DHCD does not provide mortgages directly to first-time homebuyers, there are many resources available. You can find tools to assist you in your first home buying experience on this page.
- My Mass Mortgage
- Massachusetts Housing Partnership
- Massachusetts Housing Consumer Education Centers - find a center nearest you that offers homebuyer classes
- Fannie Mae Free Online Homeownership Course
    - When it comes to buying a home, it can be hard to know where to start. That's why we're here to help. HomeView is a comprehensive first-time homebuyer course that will provide you with the information you need to take the next steps towards homeownership. Learn how to save and prepare for your home purchase, work with lenders and real estate professionals, understand the mortgage process, and so much more. Earn your completion certificate and start your homeownership journey today.
- Habitat for Humanity - through volunteer labor, builds and rehabilitates houses for families in need. Massachusetts Habitat for Humanity Locations
- Investopedia First-Time Homebuyer's Guide

GLOSSARY

Sourced from My Mass Mortgage, InCharge Debt Solutions, Realtor.com

Active: This means that a property is currently on the market and available for sale. It may have received offers, but none has yet been accepted, which means that the opportunity is wide open for you to make a proposal.

Adjustable-Rate Mortgage (ARM): An ARM will have interest rates and payments that change from time-to-time over the life of the loan. Depending on the type of ARM you have, your interest rate may increase gradually every few years until it reaches a pre-set ceiling. When you apply for an ARM, you'll be told how, when, and why the rates may change.

Amortization: This term refers to the gradual paying down of a loan. For example, traditional mortgage terms require that each payment include, in addition to interest, part of the loan principal. That way, you continually lessen the amount you owe and extinguish the debt within a set period of time.

Annual Percentage Rate (APR): The APR provides the true cost of a loan expressed as one number that enables you to compare all types of loans. The APR calculates the annual cost of the loan, taking into consideration points (loan origination fees), the interest rate, and other costs associated with getting the loan, including appraisal and credit report fees.

Closing Costs: These are costs outside a property's sales price that must be paid to cover the cost of the transaction, such as a loan origination fee, discount points, insurance fees, survey fees, and attorney's fees. Closing costs vary from location to location but must be described to you when you submit your mortgage loan application.

Condominium: A form of homeownership in which the home buyer receives exclusive title to the interior space of a multi-unit structure (usually an apartment building or a townhouse), and shares title to the common areas of the residential property (for example, parking lots or a swimming pool).

Co-operative Housing: In real estate, co-operative housing is a form of multiple ownership where a corporation or business trust entity holds title to a property (usually an apartment complex) and grants occupancy rights to shareholder tenants through proprietary leases.

Debt-to-Income-Ratio (DTI): This ratio represents your monthly fixed expenses divided by your gross monthly income (income before taxes and deductions). The Lender uses this ratio to help determine how much it will lend you. If the percentage is greater than 36, the ratio could negatively impact your credit score because the lender considers you to have too much debt.

Down Payment: A down payment is a portion of the sales price you pay to the seller to close a sale, with the understanding that the balance will be paid at settlement. It is also the difference between the sale price of real estate and the mortgage amount.

Fannie Mae: Fannie Mae is the nation's largest mortgage investor. It is a private, stockholder-owned company. The U.S. President appoints some of the members of its Board of Directors. It supports the secondary residential mortgage market.

Fixed Interest Rate: A fixed interest rate is one that never changes over the life of a loan. For example, if you have a fixed rate, 30-year mortgage, you will pay the same interest rate for the entire 30-year repayment schedule. Fixed-rate mortgages are the most popular type of financing because they offer predictability and stability — you'll never be surprised by the principal and interest charges in your monthly mortgage payment, because they'll stay the same for the entire loan term.

First time Homebuyer: This means you haven't owned a home in three years prior to applying for a mortgage; some exceptions may apply.

Home Inspection: A close physical examination of a home to evaluate its plumbing, electrical, and heating and cooling systems, as well as its appliances, roof, foundation, and structural stability. The inspection should be completed before you purchase a home and your offer contract should state that purchase would be contingent on the home inspection results.

Income Limits: Each state-sponsored mortgage product offered on this website require that a qualifying homebuyer meet certain income guidelines. To view Massachusetts Housing Project's (MHP) income limit requirements please click here. To view MassHousing's income limit requirements please click here.

Loan-to-Value-Ratio (LTV): The ratio compares the value of the loan with the fair market value of the home. The lender uses it to determine if its potential losses (in the event that you do not pay) may be reoccupied by selling the house.

Private Mortgage Insurance (PMI): PMI is required by lenders when a loan is originated and closed without a 20 percent down payment. This insurance protects the lender from default losses in the event a loan becomes delinquent. If you are approved for a mortgage that requires PMI, you still have to apply for PMI and you may not qualify. You can be approved for a mortgage and not qualify for PMI.