

Government Grants For First-Time Home Buyers

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The American Dream Down Payment Act authorizes \$200 million in grant aid for each of the coming four years to low-income, first-time home buyers. It certainly is a dream come true for many people who have harbored the fantasy of buying a home but were not able to get the cash for it.

It is a joint government and banking program to help people put together that initial down payment which is crucial in buying a home. Such ventures also uplift the economy of the country, when loans are more accessible to people and first time home buyers.

Interest rates are hitting an all-time low, and assistance professionals are urging you to come forward and avail of this opportunity. Not only do these grants help in that down payment, but also are tremendously useful when closing the mortgage. The sooner you pay it off, the better. Even bad credit doesn't go against you if you are a first-time home buyer, in the sense that you haven't had housing ownership in your name within the last three years.

Contribution requirements and seller necessities are not part of the deal. All that is needed is for your family income to meet the stipulated minimum. This might vary according to where you choose to buy your home, due to median income and the number of dependants that you might have. More dependants are required to qualify for the first time home buyers' assistance program if you have a high income.

The government calls it "free money" because there is no interest charged and no monthly payments. These funds silently wait in the background as a second mortgage until it is repaid by selling the house itself or the government takes an action of forgiving the grant. But there are some programs that actually call for the funds to be repaid in monthly installments. This is a qualifying process for the mortgage initially.

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