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# ALABAMA HOME BUYER INITIATIVE

## *Available through the Alabama Housing Finance Authority*

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For a limited time, homebuyers can benefit from a new mortgage option—the Alabama Home Buyer Initiative—that will provide private mortgage insurance (PMI) at no cost to the borrower.

The initiative will pay the up-front single PMI premium—saving the average homebuyer approximately \$150 each month. Funds are offered on a first-come, first-served basis, until the fund is exhausted.

### **Mortgage Enhancement, Affordable Rates & Down Payment Assistance**

- Private mortgage insurance (PMI), underwritten by Genworth Mortgage Insurance and provided at the expense of the initiative, will insure the first mortgage.
- The Alabama Home Buyer Initiative enhancement is designed to complement AHFA's Step Up financing product.
- Step Up provides 30-year, fixed-rate financing and down payment assistance for borrowers earning less than \$97,300.
- Step Up is able to offer 97% LTV financing through Fannie Mae's HFA Preferred product for conventional loans.
- AHFA provides down payment assistance up to 3%. The assistance will be a second mortgage amortizing over a 10-year period at the same interest rate as the first mortgage.
- Homebuyers must complete a homeownership education course to qualify.
- Proposed construction, new and existing homes will be eligible to participate.

### **How to Apply**

- The Alabama Home Buyer Initiative enhancement and AHFA's Step Up product are available through a statewide network of participating lenders.
- Visit *AHFA.com* for a list of participating lenders in your area.
- Initiative funds will only be offered for a limited time, so act quickly to begin the mortgage process with your lender.

### **For More Information**

- Visit *AHFA.com* or call 800.325.2432.