



FOR IMMEDIATE RELEASE

January 20, 2023

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Iowa Mortgage Rates are Up; Homeownership Assistance Program can Help

Program offers funding in the form of forgivable and low-interest loans available to low- and moderate-income individuals and families in Cass, Fremont, Harrison, Mills, Montgomery, Page, and Shelby Counties.

Atlantic, Iowa – The Southwest Iowa Housing Trust Fund (SWIHTF) is seeking applicants for its Homeownership Assistance Program. The program is made possible by a \$100,000 grant from the Iowa Finance Authority to SWIHTF which is administered by Southwest Iowa Planning Council (SWIPCO). Over the past 5 years, this program has assisted more than 100 homebuyers secure \$8 million in home mortgages that would have not been able to happen without this program.

The Iowa Finance Authority provides grants and low-interest loans through several programs, many of which are available to southwest Iowans who wish to purchase a home but may otherwise struggle to obtain resources.

SWIPCO Grant Specialist Ann Anstey says the Homeownership Assistance Program is a little-known but valuable option for homebuyers. “This is a great program for folks who want to own a home of their own,” said Anstey. “A lot of times, people qualify but don’t even know the program’s there for them to use.”

Anstey said the program is available to individuals and families who earn up to 80% of the area median income where they live. The area median income is calculated each year in each city or municipality. Applications are approved subject to income eligibility and on a first-come, first-served basis.

The program can assist potential homebuyers of new and existing housing with down payment assistance. The grant can fund up to 7% of the purchase price up to \$8,000. The first \$5,000 is a 5-year forgivable loan, forgiven at 20% per year. The remaining amount is a 1% loan for up to 5 years.

The Homeownership Assistance Program can help a home buyer cut down on monthly mortgage payments and also ensure that they pay much less overall for the price of their home. If a home buyer purchases a home for \$150,000 at a fixed rate of 7% over 30 years and pays a \$15,000 downpayment, they will mortgage a total of \$135,000 for their home with a monthly payment of \$898 and will pay \$323,337 total for the 30 year loan. If a home buyer uses the Homeownership Assistance Program for that same home purchase, they will mortgage a total of \$127,000 for their home with a monthly payment of \$844 and will pay \$304,176 total for the 30 year loan. This means the home buyer will save \$19,161 total through the life of their loan.

To apply, homebuyers must have a signed purchase agreement in effect and have a mortgage application in process with a lender. Please allow a minimum of two weeks from application submittal for final approval prior to closing. Applicants can request an application from ann.anstey@swipco.org or call SWIPCO at 712-243-4196.

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