PROGRAM GUIDELINES

FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

CITY OF YONKERS
DEPARTMENT OF PLANNING & DEVELOPMENT

1. GOAL

The purpose of the City of Yonkers First-Time Homebuyer Down Payment Assistance Program is to make homeownership possible for first-time homebuyers within the City of Yonkers by providing financial assistance toward the purchase of a primary residence. The program aims to help income-eligible households in achieving long-term housing stability while ensuring compliance with applicable federal and local requirements.

2. GRANT ASSISTANCE

The program provides financial assistance in the form of a zero-interest, deferred payment loan, secured by a subordinate Note and Mortgage.

The maximum grant assistance amount is $125,590 as of October 1, 2026, and will be adjusted periodically based on the then-effective HOME sales price limits.

There is a required five (5) year affordability period for the program. The loan will be forgiven and no repayment will be required if the homeowner complies with the requirements of the program for the entirety of the 5-year affordability period. If grant recipient fails to comply with the requirements of the program during the 5-year affordability period, then recapture and repayment of the grant funds will be required as described more fully herein.

Assistance will be structured through a layered funding approach utilizing HOME Program Income, and the City's Affordable Housing Trust Fund ("AHTF"). Total assistance may support up to approximately 19% of the purchase price, subject to underwriting and funding availability.

All assistance will be disbursed at closing and will be subordinate to the primary mortgage.

3. ELIGIBILITY CRITERIA

To be eligible for the program, applicants MUST meet the following criteria:

- MUST be a current City of Yonkers resident (minimum of 12 months permanent residency); **OR**
- MUST be a child of current City of Yonkers resident (minimum of 12 months permanent residency); **OR**
- MUST be the owner and operator of a business whose primary location is within the City of Yonkers including home-based, technology, professional services, online, mobile, or other business if Yonkers is the location from which the business is principally managed, operated and conducted;

-AND-

- MUST be a first-time homebuyer, as defined by HUD[1]
- MUST have household income below 120% area median income (AMI) and a minimum annual income of $40,000
- MUST demonstrate the financial ability to qualify for a mortgage
- MUST complete a HUD-approved first-time homebuyer education program with WRO or any other HUD-certified housing counseling agency
- MUST occupy the property as a primary residence
- MUST not enter into a contract of sale prior to receipt of a program participation 90-day approval letter

4. 2026 INCOME GUIDELINES

2026 Maximum Income Guidelines

Income Limit	Household size					
	1 person	2 person	3 person	4 person	5 person	6 person
120% AMI	$142,450	$162,800	$183,150	$203,550	$219,800	$236,100

Source: Westchester County 2026 Income & Rent Program Guidelines

**Please note that the maximum allowable income includes all income such as overtime, bonuses, pensions, social security, 401k distributions, tips, etc. Your gross income cannot exceed the maximum annual income for your household size. When reviewing your application, the City of Yonkers must project the income that will be earned for the upcoming 12-month period; this is done by calculating your pay using your current pay stubs, a letter from your employer verifying your salary, or an Employment Verification Request.*

5. HOMEBUYER ASSET GUIDELINES

Homebuyer liquid assets, excluding retirement and education savings accounts, must not exceed $200,000.

[1] Defined by the U.S. Department of Housing and Urban Development (HUD) as a household that has not owned a home during the three-year period immediately prior to the purchase of a primary residence with HOME funding and the City's Affordable Housing Fund. This requirement will be waived for U.S. military veterans possessing a DD-214, verifying honorable service.

6. HOMEBUYER CONTRIBUTION

Applicants must contribute a minimum of one percent (1%) of the purchase price from their own funds toward the downpayment. Additionally, applicants shall be responsible for closing costs and any co-op fees, as applicable.

7. PROPERTY VALUE LIMIT

The maximum appraised value of a single-family residence to be purchased within the City of Yonkers cannot exceed $661,000 for existing housing, based on HOME sales price limits as of 07.02.2025.

8. ELIGIBLE HOUSING TYPES AND STANDARDS

The program supports the purchase of pre-existing or newly constructed single-family homes, condominiums and cooperative apartments (co-ops). The residence must be occupied as a principal residence. All properties must meet HOME property standards (24 CFR 92.251), housing quality standards, and lead-based paint requirements.

9. MORTGAGE COUNSELING AND FIRST-TIME HOMEBUYER EDUCATION REQUIREMENTS

Applicants must have adequate financial resources and credit to qualify for a mortgage. In order to help with the home buying process, it is required that all applicants complete a HUD-approved first-time homebuyer education course, either with WRO or any other HUD-certified housing counseling agency. In addition to the educational components, this program includes one-on-one/in person mortgage counseling with a HUD-certified not for profit pre-purchase counselor. While it is the responsibility of the applicant to secure a mortgage, WRO can refer applicants to banks that offer first-time homebuyer mortgage products. They can also assist with clearing up any credit problems applicants might have. Therefore, applicants are advised to start this educational process as soon as possible. All applicants are required to provide a first-time homebuying education certificate with their application as proof that the counseling has been completed.

10. PROGRAM PARTICIPATION 90-DAY APPROVAL LETTER AND CERTIFICATE

A Program Participation 90-day Approval Letter and Certificate will be issued to qualified applicants in the order in which the applications are received and approved by the City of Yonkers.

Program funds are limited. This 90-day Approval Letter and Certificate, issued by the City of Yonkers, represents a sum of up to 19% toward the down payment of the Grant Recipient's purchase of an owner-occupied single-family residence, condo or cooperative apartment. Applicants will be notified when all available 90-day Approval Letters have been issued and a waiting list has been established.

Eligible applicants who are issued a 90-day Approval Letter and Certificate will have 90 days from the date the letter and certificate are issued to submit a fully executed Contract of Sale to the City of Yonkers. Applicants may request from the City of Yonkers an extension of up to an additional 90-days, which the City may grant or decline at its sole discretion. As Approval Letters/Certificates expire, new Approval Letters/Certificates will be offered to qualified applicants on the waiting list in order.

All applications are subject to underwriting as part of City of Yonkers' review process. Underwriting calculations will be done using information from the bank's mortgage application. Ratios must fit within the City of Yonkers parameters- Housing Debt to Income, Total Debt to Income and Mortgage Amount to Appraised Value, as follows:

Ratio Type	Limit
Front-End DTI (Housing Debt to Income)	38%
Back-End DTI (Housing Debt to Income)	45%
Loan-to-Value (Mtg amt to Appraised Value)	80%

11. INSPECTION

Prior to entering into a Contract of Sale, the buyer must arrange for a property inspection to determine whether or not the property meets certain standards. When the City receives the results of the inspection, the homebuyer will be informed if the City has approved the inspection. If the property fails the inspection, the homebuyer will have the opportunity to have the home re-inspected upon correction of any deficiencies. Properties that fail re-inspection will not be funded.

Additionally, the home must be free of lead-based paint and meet the standards contained in the Certification of Property Standards, which will be provided to the homebuyer and must be signed by the homebuyer and the Inspector. The City of Yonkers will not fund any property that does not meet the requirements outlined in the Certification of Property Standards. The City of Yonkers will not be held responsible for the loss of a down payment or any other damages that may arise as a result of any property's failure to pass the inspection.

12. DOCUMENTATION

As a condition of obtaining assistance, applicants are required to submit to Westchester Residential Opportunities (WRO) on behalf of the City of Yonkers copies of the following documents as soon as they are available:

a) Mortgage Counseling Certificate
b) Fully executed Pre-Contract Agreement
   This agreement will be provided by the City of Yonkers to all eligible applicants at the time a Program Participation 90-day approval letter is issued.
c) Fully executed Contract of Sale (copy)
d) Visual Inspection Report from an EPA Certified Lead Based Paint Inspector.
   This report must be completed by an EPA Certified Lead Based Paint Inspector or submit proof that the house was built after 1978.
e) Mortgage Application (copy)- also known as:
   - Universal Residential Loan Application
   - Freddie Mac Form 65
   - Fannie Mae Form 1003
f) Appraisal of the Subject Property (copy)
g) Mortgage Commitment (copy)
h) Fully executed and notarized Down Payment Assistance Agreement

In order to receive the assistance, eligible applicants will be required to sign a Note & Mortgage to secure the terms of the grant. Please note those applicants purchasing a co-op will be required to sign a Note & Security Agreement and the City of Yonkers will file a UCC-1 statement in order to secure the grant assistance.

Before submission, please be sure the application and all accompanying documentation are complete and accurate. Once received by WRO, any changes to the application could place the applicant at risk of being moved to the end of the application list.

13. RESTRICTIONS

a) When searching for a home, the subject property that is to be purchased cannot displace an existing tenant. The house must be vacant, occupied by the owner, or occupied by the purchaser as a tenant. Both the purchaser and seller will be required to sign a Pre-Contract Agreement in order to verify that this restriction is not being violated. This document will be sent to the applicant when the Program Participation 90-day Approval Letter is issued.
b) The applicant must not have entered into a Contract of Sale to purchase the subject property prior to being approved for the City of Yonkers Down Payment Assistance Program and issued a Program Participation 90-day Approval Letter from the City of Yonkers.
c) All houses constructed prior to 1978 must pass a Visual Inspection for the presence of lead-based paint. This report must be completed by an EPA-Certified Lead Based Paint Inspector. Houses built after 1978 are exempt from this requirement and applicants must submit proof of this fact.
d) Private mortgages are not allowed. Mortgages must be through a licensed and recognized lending institution.
e) No Short Sales allowed
f) No foreclosures allowed
g) No Bank Owned Properties are allowed
h) No Cash-out at closing allowed
i) Non-occupying co-borrowers/co-signers/guarantors are not permitted.
j) 100% financing is not permitted
k) Interest Only Mortgages and Adjustable-Rate Mortgages are Not Permitted
l) "No Doc" Loans or No Income Check Loans are Not Allowed
m) 80/20 Loans are Not Allowed.

14. CLOSING

The downpayment assistance funds will be provided to the applicant by City of Yonkers at the closing. A representative of the City of Yonkers or its designee will attend the closing and will provide a City-issued payment. The Down Payment Assistance is a zero-interest deferred payment loan that will be forgiven at the end of the five-year term as long as the homeowner does not sell, transfer, lease/rent, deed or convey all or part of the property or any interest within five years from the date of closing. Recipients will be required to verify that they are still living in the funded property for the five-year term of the Note & Mortgage.

15. ANNUAL RE-CERTIFICATION

All eligible applicants who receive the down payment assistance will be required to live in the subject property as their principal residence for a period of five (5) years beginning on the closing date. The City of Yonkers or its designee reserves the right to perform an in-person inspection of the home during each year the house is within the affordability period (5 years).

A monitoring affidavit will be mailed annually to the grant recipient in order to verify in writing that the subject property is being maintained and in compliance with the following guidelines:

a) Grant recipients are the current owners of the subject property.
b) The subject property is currently occupied as the grant recipient's primary residence.
c) The subject property is properly insured and maintained in agreement with the terms of the Note and Mortgage or the Note & Security Agreement.
d) No interest in the subject property has been sold, leased/rented or transferred, deeded or conveyed.

There is a required five (5) year affordability period for the program, after which the Note & Mortgage will be forgiven and no repayment is required. Upon completion of the five (5) year affordability period the homeowner will be issued a "Satisfaction of Mortgage" from the City of Yonkers.

Please note that the homeowner will be responsible for all fees associated with filing the Satisfaction of Mortgage. If the grant recipient sells, transfers, leases/rents, deeds or conveys all or part of the property or any interest within five years from the date of closing, or the residence goes into foreclosure, the note is in default. In the event of default, the amount of down payment assistance to be recaptured will be calculated by reducing the original grant amount by 20% for each year completed of the five-year affordability period with the period beginning on the date of closing. The grant amount remaining will be recaptured at the closing of the sale or transfer of the property.

The following chart assumes an original subsidy of $16,000 as an example:

Amount to be recaptured	Recapture %	Occupancy period from date of closing
$16,000	100%	Up to 12 months
$12,800	80%	13-24 months
$9,600	60%	25-36 months
$6,400	40%	37-48 months
$3,200	20%	49-60 months
$0	0%	End of 60 months

If the grant recipient is found to be in violation of the restrictions of the 5-year affordability, the City of Yonkers will require repayment of the amount to be recaptured of the Down Payment Assistance grant. Upon sale or transfer of the property, title transfer, or death of the qualifying person, repayment of the existing grant amount will be required in accordance with the Note. Additionally, if at any time that this Note and Mortgage is in effect, the grant recipient fails to occupy the Property as his/her principal residence, a default fee of $5,000 will be added to the Recapture Obligation

16. APPLICATION PROCEDURE

Be sure to include all required documentation with your application as stated on the application checklist. Complete applications will be evaluated on a first-come first-served basis. Incomplete applications will be reprioritized on the list. Applications must be submitted by mail or hand delivered to the following address:

Mailed or hand delivered:

Westchester Residential Opportunities
Attn: Homeownership Department
470 Mamaroneck Avenue, Suite 410
White Plains, NY 10605

For confirmed delivery, please send your application "Certified Mail, Return Receipt Requested." Do not send any original documents; WRO and the City of Yonkers are not responsible for their return.

THESE GUIDELINES AND THE PROGRAM APPLICATION CAN BE DOWNLOADED FROM THE CITY OF YONKERS FIRST TIME HOMEBUYER WEBSITE at https://www.owninyonkers.com/

The City of Yonkers reserves the right to nullify and/or void any Program Participation 90-day Approval Letter based on funding availability and any changes in eligibility status prior to closing as funding is limited. The City of Yonkers is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of the applicant's failure to adhere to the terms of the City of Yonkers Down Payment Assistance Program Guidelines, as stated in this document.
Please retain the program guidelines.

I understand and acknowledge that I have read the entire City of Yonkers First-Time Home Buyer Down Payment Assistance Program Guidelines.

Applicant (Signature)	Applicant (Print)	Date

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