



Dominick Pangallo
Mayor

Tom Daniel, AICP
Director, DPCD

City of Salem

FIRST-TIME HOMEBUYER DOWNPAYMENT ASSISTANCE LOAN PROGRAM

The First-Time Homebuyer Downpayment Assistance Loan Program (FTHB) is available through the City of Salem, Department of Planning and Community Development (DPCD) as part of the Mayor's goal to assist low- and moderate-income households to achieve homeownership.

What Type of Assistance is Available?

You are encouraged to begin your house-hunting process by applying for FTHB assistance early before you have made an offer on a property. To avoid unnecessary delays, please submit your application and required documentation a minimum of 6 weeks prior to your loan closing. Once qualified, your conditional letter of approval is valid for 6 months. Applications are available at <https://www.salem.com/planning-and-community-development/pages/housing-programs> or at the DPCD, along with an application checklist to guide you through the process.

The Massachusetts Affordable Housing Alliance (MAHA) offers a downpayment assistance program called STASH for First- Generation First-Time Home Buyers in Salem. To learn more, contact STASH by email at stash@mahahome.org at least 4 months prior to making an offer on property.

No-interest, deferred payment loans to first-time homebuyers to use toward the downpayment and closing costs on a condo, single-family or multi-family home (2-4 units). Repayment of the loan, in full, is due upon sale or transfer of the property or if you cease to occupy the property as your permanent residence.

What is the Definition of a First-Time Homebuyer?

A first-time homebuyer is an individual (or individual and spouse) who:

- has had no ownership interest in a principal residence during the last 3-years*;
- is a displaced homemaker or single parent who has only owned a home with a former spouse while married;
- owns or has owned only a mobile home or residence that was not permanently affixed to a permanent foundation; or
- owns or has owned only a property that was not in compliance with State, local, or other codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

*No more than one purchase may be assisted by the City of Salem for any individual or household within a 5-year period.

Who is Eligible?

In addition to being first-time homebuyers, applicants must meet eligibility requirements:

- Location: Applicants must be purchasing a property in the City of Salem.
- Income: Applicants must meet the following HUD-established income limits:

Gross annual income limits effective June 15, 2023, are as follows:

Household Size	1	2	3	4	5	6
Max Income	\$82,950	\$94,800	\$106,650	\$118,450	\$127,950	\$137,450

A household cannot have more than \$50,000 in cash assets, excluding 401Ks and other retirement accounts, *after* the purchase of the property.

What is the Maximum Amount of Assistance?

- The FTHB Program will match your downpayment up to \$1,500 and provide a \$10,000 grant for a total of \$11,500 in downpayment and/or closing costs assistance.
- First - Generation buyers are eligible for an additional \$5,000 through MAHA (Massachusetts Affordable Housing Alliance), STASH Program. To determine eligibility contact STASH by email at stash@mahahome.org.
- Applicants are encouraged to complete a CHAPA (Citizen's Housing and Planning Association – chapa.org) certified homebuyer counseling course prior to the loan closing. A link to available courses is on the City website at <https://www.salemma.gov/planning-and-community-development/pages/homebuyer-education>.

What are the Property Requirements?

- The property must serve as your principal residence.
- The property's purchase price cannot exceed the following limits:

(New limits effective July 1, 2023)

Property Type	1-Family	2-Family	3- Family	4- Family
Max Value	\$537,000	\$687,000	\$832,000	\$1,031,000

Contact Information

City of Salem

Department of Planning and Community Development

98 Washington Street, 2nd Floor

Salem, MA 01970

(978) 619-5685

Para información en español, favor de llamar 978-619-5685.

Copies made at DPCD office will cost 5 cents/page.

The DPCD staff may require additional information as they see appropriate. The City reserves the right to deny an applicant if their loan presents an unreasonable risk to the City's equity position. The City of Salem reserves the right to make changes in the conditions of the First-Time Homebuyer Downpayment Assistance Loan Program as warranted. Please check with DPCD staff for the latest information.



This program does not discriminate on the basis of race, color, national origin, gender or gender identity, age, religion, familial status, sexual orientation or disability. This program is funded through the Department of Housing and Urban Development (HUD) and Community Block Grant Funds (CDBG).

