

# EQUITY BUILDER PROGRAM



EVERY CUSTOMER COUNTS™

Are you shopping for your first mortgage? Grant funds of up to \$11,000 towards down payment and closing costs may be available to Qualified First-Time Buyers through the Federal Home Loan Bank Equity Builder Program (EBP).

## *What is the Equity Builder Program (EBP)?*

The Equity Builder Program (EBP), available through Litchfield Bancorp, provides down payment and closing cost assistance for an owner-occupied unit for home buying households earning less than 80 percent of the area median income, based on family size.

## *Who is eligible to receive an EBP grant?*

Households must earn no more than 80 percent of the median income, adjusted for family size, for Hartford or Litchfield County, depending on the location of the new home. Homebuyers must complete a homebuyer counseling course administered by an experienced homeownership counseling agency. Must be first time homebuyers with some exceptions.

## *What is the maximum grant amount that may be awarded to eligible borrowers?*

The maximum grant amount is \$11,000 per property.

## *What are the eligible uses for EBP funds?*

EBP funds can be used with a Litchfield Bancorp purchase money mortgage for down payment assistance, customary closing costs (including single premium PMI), and homebuyer counseling costs not covered by another funding source. Funds cannot be used for or to create a reserve for principal, interest, taxes, or insurance, to prepay life insurance premiums, to reimburse homebuyers for earnest deposit on contracts, or to return cash to homebuyers at closing.

## *What are the homebuyer's requirements?*

In addition to meeting income requirements, homebuyers also must complete a homebuyer counseling program administered by an experienced homeownership counseling agency. Homebuyers must agree to use the property as their primary residence and obtain first mortgage financing through Litchfield Bancorp. They will sign a five year retention recapture agreement (a soft second mortgage and note). During this five year retention there is a "pro-rated" payback required. After five years there is no repayment required. Contact me for family size income limits.



### **Jennifer Ives-Groebel**

Tel: 860-393-9145

Email: ives-groebel@litchfieldbancorp.com

Litchfield Office, 294 West Street, PO Box 997

Litchfield, CT 06759-0997

NMLS #532621

[www.litchfieldbancorp.com](http://www.litchfieldbancorp.com)



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