



HOME Secure GRANT

Frequently Asked Questions FOR THOSE INTERESTED IN HOMESECURE GRANT

I am interested in the HomeSecure Program, but my credit history is not good and I don't think I would be approved for a mortgage in the near future. Should I still consider HomeSecure and enroll in the Financial Literacy course?

The Financial Literacy course is a great option for consumers who are not “mortgage ready.” The course aims to develop new and effective personal finance habits, which may assist you in realizing your financial goals

I am aware of HomeSecure's benefits but do not feel I am financially ready to purchase a home due to lack of savings and a limited credit history. Will the Program last for a while and can you provide advice on how I should proceed?

HomeSecure is currently a “Pilot” program and is available on a first come, first served basis.

I recently submitted an offer to purchase a house, which was accepted by the seller. I haven't taken a Financial Literacy course but heard about the HomeSecure program and would like to apply. Is this possible?

Due to the length of the curriculum, and for the candidate to fully realize the benefits of the Financial Literacy course, the required coursework must be completed prior to the start of the preapproval and mortgage application processes. There are no exceptions to this policy.

I completed a Financial Literacy course but just discovered that my credit score is a 616. I am aware that RI Housing requires a minimum score of 620. Since I completed the Financial Literacy course, can the minimum credit score requirement be waived?

While completion of the course is essential to be considered for the Program, the applicant must meet RI Housing's mortgage and underwriting requirements to qualify for RI Housing mortgage financing.

I have been working with a RI Housing Participating Lender. Can I receive a HomeSecure Grant if I apply for a mortgage from this lender?

Currently, to be eligible to receive a HomeSecure Grant you must obtain your mortgage loan through RI Housing's Loan Center.

I completed the Financial Literacy course and am ready to apply for a mortgage for a 3-unit property. Is it necessary to take the First-time homebuyer courses offered and required by RIHousing?

Yes, you are required to complete all required, applicable courses.

How does the HomeSecure Grant work? Am I able to draw down the emergency reserve funds as needed?

If in the first three (3) years of your mortgage, you experience a qualifying, short-term emergency, you may request that the HomeSecure Grant funds be used to make your mortgage payment that month.

What happens at the end of the three (3) year Grant term?

If funds remain in your emergency reserve account at the end of the Grant term, those funds will be applied to the principal balance of your mortgage loan.

What constitutes a “qualifying, short-term emergency”?

Examples include, but are not limited to:

- Unexpected illness or medical related expenses
- Unexpected repairs (*e.g. a home repair or an auto repair*)
- Unexpected increase in energy costs

What happens if my financial hardship is not temporary?

The HomeSecure Grant funds can only be utilized in the event that you experience a short-term, temporary hardship. If you experience a longer-term hardship, such as unemployment, your situation would be addressed through the loss mitigation process. Customers should reach out to our Loan Servicing division for assistance with long-term financial issues.

Why are HomeSecure Grant recipients required to set up Automatic Payments for their mortgage payments?

Automatic payments are one way to help mortgage customers stay on track with their mortgage payments. Unlike other financial institutions, RIHousing does not charge any fees for Automatic Payments.

How can I utilize the HomeSecure Grant funds?

The HomeSecure Grant funds are held in a reserve account and may be utilized in the event of a temporary, short-term emergency. Customers will contact our Loan Servicing department to request that funds be drawn from the emergency reserve and applied toward your mortgage

payment. The purpose of the grant program is to provide emergency funds within the first 3 years of your mortgage loan to ensure you have adequate money available to make your mortgage payment.

Why are the funds only available for the first 3 years?

The first 3 years of homeownership are a time of transition for first-time homeowners and many may be caught off guard by unexpected expenses. The Grant funds are available during this transition period to help customers maintain their mortgage payments and avoid a default on their mortgage loan.

What happens if I don't complete the online Post-Purchase Financial Education within the required timeframe?

HomeSecure Grant recipients must complete the online Post-Purchase Financial Education prior to the due date of their first mortgage payment. The online education is available 24/7 in both English and Spanish and the information is presented in short, easy-to-digest topics, most of which take only a few minutes each. Failure to fully complete the online financial education prior to the due date of your first mortgage payment will result in the loss of your HomeSecure Grant.

What happens if I don't use the funds during the three (3) year Grant term?

Grant funds that remain following the conclusion of the three (3) year term will be applied to and reduce the principal balance of the first mortgage. This means that up to three months of your mortgage principal will be paid at the end of the three years.

What happens if I sell my home, default on my mortgage or refinance my mortgage loan with a different lender during the first three (3) years?

The Grant will terminate and the emergency reserve funds will revert to RIHousing upon sale of property, foreclosure, deed in lieu, refinance with lender other than RIHousing, transfer of title, or other event of default as specified in Grant documents.

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***PLEASE NOTE:** Completion of the Financial Education course is not a guarantee of eligibility for the HomeSecure Grant Program. Course completion is one aspect of eligibility. Applicants will also need to meet RIHousing mortgage guidelines and program eligibility requirements.

