



**OKALOOSA COUNTY
STATE HOUSING INITIATIVE PARTNERSHIP
PURCHASE ASSISTANCE FIRST-TIME HOMEBUYER PROGRAM**

Housing Department Contacts

Emailing Housing@myokaloosa.com, is the best way to reach us.

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Purpose

To assist eligible very low, low and moderate-income families attain homeownership.

Type of Assistance

Down payment, closing costs, mortgage buy down, principal reduction, rehabilitation/repairs, efficiency upgrades, and other costs associated with purchasing a home.

Limits of Assistance

Maximum award, up to \$65,000

Terms of Assistance

The amount of the award will subject to the execution of a promissory note with zero (0) percent interest and secured by a second mortgage. No monthly payment is required. The loan is a forgivable deferred payment loan (DPL) with a ten (10) year residency requirement. If the homeowner moves out, sells, transfers, rents, refinances or adds additional liens during the 10 years, the outstanding balance of said mortgage must be repaid. Half of the DPL will be forgiven at the completion of the 5th year, 10% will be forgiven for every remainder year.

Family/Underwriting Eligibility Requirements:

1. Applicant’s gross household annual income must meet limitations as published for the Okaloosa County’s MSA by the U. S. Department of Housing and Urban Development (adjusted annually).

As of May 1, 2026, Maximum income limits are as follows:

| <u>Household Size</u> | <u>Income Limit</u> |
|------------------------------|----------------------------|
| 1 | \$89,640 |
| 2 | \$102,480 |
| 3 | \$115,320 |
| 4 | \$128,040 |
| 5 | \$138,360 |
| 6 | \$148,560 |
| 7 | \$158,880 |
| 8 | \$169,080 |

2. Applicants must have adequate, stable income and an acceptable credit rating, as determined by a participating mortgage lender, and be **pre-approved for a loan of \$125,000 or more.**

3. The home must be affordable to the applicant with the total monthly principal, interest, taxes and insurance (PITI) not exceeding 30% of the family's total gross monthly income.
4. Applicant must be a first-time homebuyer, which is defined as an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes the following:
 - A spouse (if either meets the above test, they are considered first-time homebuyers).
 - A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse.
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
 - An individual who has owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of construction a permanent structure.
5. All recipients of SHIP funding, including spouses and everyone listed on the loan are required to attend a HUD approved Homebuyer Education Class prior to receiving funding. Classes are available through:
 - Community Enterprise Investments, Inc. (CEII) – In person or online <https://ceii-cdc.org/housing-counseling/homebuyer-education/>
 - Freddie Mac Credit Smart – Online <https://creditsmart.freddiemac.com/paths/homebuyer-u>
 - University of Florida/IAS Extension – In person or online <https://JacksonCountyFCS.eventbrite.com> or call (850) 689-5850 for alternative
6. If applicant has more than \$25,000 in cash assets, they will be required to utilize it
7. All borrowers must use a lender listed on our **Participating Lenders List**. These lenders provide services in Okaloosa County and have gone through training sessions to understand our policies, procedures, and file submission expectations. Your first step as a borrower is to contact one of the participating lenders for a mortgage pre-approval. Your lender will walk you through the process of finding a home and will be the responsible party to submit your application for assistance.

Property Requirements

1. All homes purchased with SHIP funds must be located in Okaloosa County.
2. Eligible properties include new and existing homes located in Okaloosa County, with a sale price that does not exceed 90% of the average area purchase price for the statistical area in which the home is located.
3. Any items listed on the inspection report that require repair/replacement, must be completed and repair receipts/invoices must be submitted prior to the release of SHIP funds.
 - Roof repairs can be completed post-closing, but must have a completion date listed in the sales contract.
4. Mobile or Manufactured homes are not an allowable purchase using SHIP funds.