



Ocean State  
**GRAD**  
GRANT

*Helping Graduates Make RI Home*

**Here are some Frequently Asked Questions about Rhode Island Housing's Ocean State Grad Grant program. You can also talk to one of our Participating Lenders or Mortgage Specialists about this or any of our other products.**

**How do I apply for this program?**

Contact one of our Participating Lenders or a Rhode Island Housing Mortgage Specialist.

**Do I have to be a first-time homebuyer to participate in the Ocean State Grad Grant program?**

Yes, you must be a first-time homebuyer purchasing a 1-4 family home or condominium using a Rhode Island Housing-funded first mortgage from a Participating Lender or the Rhode Island Housing Loan Center.

**How do you define 'recent graduate' and what type(s) of degree(s) is/are eligible?**

You must have graduated within the last 36 months from an accredited institution, having earned your associate's, bachelor's, master's or doctoral degree.

**Can I combine my grant with other Rhode Island Housing homebuying products?**

Yes: A borrower may combine the grant with our Closing Cost Assistance.

**Will I have to complete homebuyer education? If so, how do I enroll?**

Yes. Borrowers are required to complete homebuyer education, which can be taken in-person or online. Rhode Island Housing offers in-person classes in locations across the state. You can also take our online class (in English or Spanish) through eHome America for \$50, providing you with the convenience of taking it when and where you choose. For more information about our classes, visit us online at [loans.rhodeislandhousing.org](http://loans.rhodeislandhousing.org).

**How is the 3.5% grant calculated? Is there a minimum or maximum available amount?**

The grant is based upon the purchase price of the home and is exactly 3.5% of that price, rounded to the nearest dollar. The maximum amount is \$7,000. Rhode Island Housing has allocated \$350,000 for this grant program.

**Are there any fees involved if I use the Ocean State Grad Grant program?**

There are no fees involved with the Grad Grant program.

**Can I still get the grant if I graduated from a college outside of Rhode Island?**

Yes, graduates may earn their degree from any institution for higher education that is recognized by the U.S. Department of Education's Database of Accredited Postsecondary Institutions and Programs.

**I received my Graduate Equivalency Degree (GED) in place of a high school diploma and went on to graduate from college. As a recent graduate, do I qualify for the Ocean State Grad Grant program?**

Rhode Island Housing accepts applicants who earned a GED prior to college in the Ocean State Grad Grant program.

**What kind of documentation do I need to provide in order to be eligible for this grant?**

Rhode Island Housing requires a diploma or verification of graduation from your educational institution as evidence of your enrollment and degree.

**After I close on my home, do I need to pay the Ocean State Grad Grant back?**

If you remain in your home for at least 5 years, there is no requirement to repay the grant. Please refer to chart.



**Rhode Island Housing**

For more information go to [GradGrant.org](http://GradGrant.org) or call (401) 457-1180



Helping Graduates Make RI Home

Months resided in home	Amount of grant owed to RIH if you sell the home
Less than 12 months	100%
12 months to 24 months	80%
24 months to 36 months	60%
36 months to 48 months	40%
48 months to 60 months	20%
After 60 months	0%

### Why is there a second mortgage when this is a grant program?

The Ocean State Grad Grant program is actually a forgivable second mortgage. The lender will record the second mortgage in Rhode Island Housing's name as security and repayment of the financial assistance being provided; however, if the buyer sells the home within the first 5 years after closing the loan, a portion of the second mortgage would need to be repaid based on 20% per year (refer to above chart).

### If my spouse is not a recent college graduate but we are purchasing the home together, do we still qualify for the program?

Yes, in instances where there are co-borrowers purchasing the home, only one needs to be a recent college graduate to be eligible for this program. At least one of the co-borrowers must meet the graduation guidelines; both borrowers need to meet program income limits.

### If my fiancée and I are both recent graduates and qualify under the guidelines, would we both be eligible?

The program is designed to only provide the 3.5% grant to one borrower per household.

### My parents want me to take advantage of this grant and have agreed to assist me financially. Am I still eligible?

Yes, your family members would be able to assist you when applying for a mortgage. One of our Participating Lenders or Mortgage Specialists would be able to answer any questions you may have regarding your specific situation.

### I started a graduate program part-time and eventually moved to full-time before obtaining my master's degree. Would I still qualify for this product?

Yes, as long as you have graduated within the last 36 months from an institution for higher education that is recognized by the U.S. Department of Education's Database of Accredited Postsecondary Institutions and Programs you may qualify for this program.

### Does having student loans affect my eligibility for the program?

We understand that as a recent graduate you may also have student loan debt, which does not disqualify you from the program. You would still need to meet our underwriting guidelines for our FirstHomes mortgage. Your lender or one of our Mortgage Specialists would be able to help you better understand the underwriting requirements.

### I just graduated from college and I don't have much credit history. Will my credit score affect my ability to qualify for this program?

Your credit score, among other factors, would be considered when you apply for a mortgage. One of our Participating Lenders or Mortgage Specialists would be able to answer any questions you may have regarding your specific situation.



Rhode Island Housing

For more information go to [GradGrant.org](http://GradGrant.org) or call (401) 457-1180