



What makes them a first-time homebuyer?

The literal definition of a first-time homebuyer is a homebuyer who is buying for the first time. But this is not widely used in the mortgage industry. **So we use the definition provided by HUD. It defines a first-time homebuyer as¹:**

- 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 a spouse (if either meets the above test, they are considered first-time homebuyers).
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.

Other HUD terms that are NOT part of GSEs or Genworth's definitions of a first-time homebuyer:

- 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 only 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 constructing a permanent structure.

As you can see, your first-time homebuyer customer is absorbing housing inventory, moving from renting to owning, or seeking affordable homes. Move beyond the idea you are only trying to reach those truly buying for the first time and you can move even more borrowers into homes!

YOU-CENTRIC SOLUTIONS THAT MATTER

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HOMEbuyer

¹ <https://archives.hud.gov/offices/hsg/sfh/ref/sfhp3-02.cfm>