



# City of Newburgh

DEPARTMENT OF PLANNING & DEVELOPMENT

City Hall – 83 Broadway  
Newburgh, New York 12550  
[www.cityofnewburgh-ny.gov](http://www.cityofnewburgh-ny.gov)

TEL: (845) 569-9400

FAX: (845) 569-9700

## Rent to Own Program

The City of Newburgh, in collaboration with the Newburgh Community Land Bank (NCLB) and PathStone adopted a Rent to Own Program addressed to tenants who live in City owned properties and who express the interest in being homeowners.

Criteria for participation in the Rent to Own Program:

1. Enrollment in a certified Homeowner Counseling program
2. Qualification as a First Time Homebuyer (that is, may not have owned a home for at least the past 7 years)
3. Have occupied the City owned property for at least 6 months prior to transfer into the NCLB
4. Owner occupancy will be required
5. Debt to income ratio at a minimum of 41-43%
6. Minimum credit score of 620 at time of purchase
7. Must be a United States citizen
8. Have no existing violations with the City
9. Have no open judgments at the time of purchase
10. Verifiable income that will support mortgage and costs of managing the home

PathStone will prequalify the tenant/potential homeowner for the program. After this initial screening, the City will move forward to transfer the property to the NCLB. The purchase payment to the NCLB will be based on a percentage of the assessor's appraisal of the individual property. The NCLB will pay a portion at the time of closing with the City. The NCLB will then have 2 years to coordinate the purchase with the homeowner. At the time of closing and/or at the end of the 2-year period (whichever is sooner), the NCLB will pay the balance of the predetermined property sale price to the City. This payment structure helps both organizations to generate cash flow while working on the shared goal of increasing homeownership in the City.

During the rental (pre-purchase) period, PathStone will provide educational training to the tenant/homebuyer and will coordinate their participation in a federally funded and bank sponsored savings math program. Mesh Realty will continue to ensure that the properties are appropriately maintained.



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