



SECTION 32

HOMEOWNERSHIP PROGRAM

STEP INTO HOMEOWNERSHIP!

The City of Phoenix Housing Department offers a fantastic opportunity for low-income families to buy their first home through the Section 32 Program. This program is offered to first-time homebuyers who are at or below 80% Area Median Income (AMI). The program provides a 20% discount on the appraised value through the City Investment Loan, a 10-year, no-interest, no-payment loan. During this period, the home must be owned and occupied as your principal residence.

PROGRAM BENEFITS

- Designed for lower income families.
- No more landlords.
- No mortgage insurance.
- Possible grants for additional assistance.
- Can be layered with other homeownership down payment assistance programs.
- 20% off appraised value of home.
- Has an interest rate of 0% with no monthly principal payments.
- Is fully forgiven after 10 years.





Section 32 Homeownership Program

KEYS TO OPPORTUNITY | STABILITY | FREEDOM

Eligibility Requirements for Section 32 Participants

- Be a first time homebuyer as defined by FHA.
- Annual household income does not exceed 80% of Area Median Income (AMI). *See chart below.*
- Have a minimum down payment of 3% of the purchase price
 - 1% must be from your funds
 - 2% can be from grants, fits, or down payment assistance programs.
- Meet HUD affordability requirements (mortgage principal and interest, plus insurance, real estate taxes, utilities, maintenance, and other regular homeownership costs may not exceed 35% of adjusted gross family income).
- Qualify for a 15/30 year, fixed-rate conventional loan.
- Obtain a Pre-Qualification Form from a preferred lender.
- Have a record of timely payments of rent and utilities.
- Be able to provide a favorable recommendation from your current landlord.
- All family members/occupants over 18 must pass a criminal background check.
- Attend and complete required homeownership classes and pre-purchase counseling session.



Your income cannot exceed this amount.

Family Size	Income Maximum
2	\$71,800
3	\$80,800
4	\$89,750
5	\$96,950
6	\$104,150
7	\$111,300
8	\$118,500
9	\$125,650
10	\$132,850

Effective April 1, 2025, U.S. Department of Housing and Urban Development. Subject to change when HUD publishes revised income limits.

City of Phoenix Housing Department Section 32 Program

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phoenix.gov/housing/homeownership

The Section 32 Homeownership Program is offered pursuant to plans, policies, and programs that may change at any time, without notice. The terms may change at any time. The presentation of properties on phoenix.gov and other marketing materials is a solicitation of interest in the program, and is not an offer to sell.



City of Phoenix
HOUSING DEPARTMENT