

WASHINGTON NEIGHBORHOOD HOMEBUYER LOAN PROGRAM

Requirements

1. **Location**

Any owner-occupied, single-family or duplex home, in the Washington Neighborhood. (11th Street to 22nd; Elm to Central) *Citywide opportunity for <30% MI households.

2. **Income Guidelines**

Eligibility for this program is based upon household size and gross annual income of the household.

<u>Household Size</u>	<u>Very Low Income</u> (less than 30% of area <u>median</u>)	<u>Maximum Income Lower Income</u> (less than 50% of area <u>median</u>)	<u>Moderate Income</u> (51-80% of area <u>median</u>)
	1	\$20,520	\$34,200
2	\$20,520	\$34,200	\$54,720
3	\$23,598	\$39,330	\$62,928
4	\$23,598	\$39,330	\$62,928
5	\$23,598	\$39,330	\$62,928
6	\$23,812	\$39,687	\$63,500
7	\$25,443	\$42,406	\$67,850
8	\$27,093	\$45,156	\$72,250

3. **Loan Terms (Median Income based from State Housing Trust Fund Income Guidelines)**

Household income <30% MI: \$25,000, 0% interest; deferred for 5 years then \$60/month for 35-year term

Household income <50% MI: \$20,000, 0% interest; \$60/month; 28-year term

Household income <80% MI: \$15,000, 0% interest; \$60/month; 21-year term

Household income >80% MI: \$10,000, 0% interest; \$60/month; 14-year term

NOTE: All Assisted Housing participants are eligible for a deferred loan for 5 years.

4. **Interest Rates**

No interest is charged.

5. **Complete Homeowner Workshop**

Buyers are **required** to complete the HOME Workshop. Contact the City for details.

6. **Additional Requirements**

- The borrower must contribute a 3% down payment, this is based on the purchase price of the home. 1% of the money must be the borrowers, 2% can be gifted money. The IFA FIRSHTHOME Plus Down Payment/Closing Cost/Repair Assistance Program cannot be counted towards the owners' requirement of 3%.
- The property must be inspected by our Rehabilitation Programs Inspector prior to the City's loan approval. If any code violations are noted the new buyer must complete the inspection sheet regarding repairs and submit bids, if required.
- As of September 2001, all properties using federal funds must be lead safe or free of deteriorated paint.

7. **Application**

Once you've met with your lender and applied for a loan, the lender is to provide us with the following information:

- Bank Application
- City Application
- Accepted Purchase Agreement (signed by all parties)
- Bank Commitment Letter
- Verification of borrowers 3% down payment
- Verification forms regarding your employment, savings, checking and retirement accounts
- Credit report
- Title Opinion