



# Down Payment and Closing Cost Assistance



Type A - January 10, 2022



# Down Payment & Closing Costs

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- Funded through the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME) and approved by City Council
    - \$621,417 available
    - Between 17 and 20 homebuyers will be helped
  - Up to \$25,000 for down payment assistance
  - Up to \$10,000 for closing costs
  - Must meet the 80% area median income limit
    - Family of four limit is \$55,450
  - Purchase price can't exceed \$173,000 for an existing home or \$238,000 for a newly constructed home
  - Assistance is a 0% loan and term varies from 5 to 10 years based on the amount of assistance
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# Closing Costs



- The City's Down Payment and Closing Cost Assistance Program does not charge any closing costs
- The program covers many closing costs charged by lenders and title companies



# Applications

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- The City's program received 647 applications before closing
  - 79 applications are active
    - 27 are working with lenders
    - 29 had credit issues
    - 23 were over the 80% income limit
- Two closings are likely to occur in January



# Income Determinations

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- The City's program is required to follow HUD income eligibility determinations
  - Income limits are set by HUD and adjusted annually
  - Requirements include reviewing paystubs, bank statements, tax returns, benefit statements and other documents
  - Program is required to project income for the next 12 months
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