

TYPE A Affordable Housing Homebuyer Assistance Program



TYPE A Board Presentation
November 12, 2018



Purpose

To expand affordable housing opportunities for low- to moderate-income homebuyers by providing a deferred forgivable loan to be utilized for down payment assistance to buy down the purchase price of the home.



General Program Description

- Purchase price must not exceed 95% of the Metropolitan Statistical Area – currently \$162,000 for 2018
 - Deferred forgivable loan up to \$10,000
 - Term of affordability – 5 years
 - Loan will be amortized over the affordability period commencing on the closure date and forgiven at approximately \$2,000 per year for every year the homebuyer lives in the house
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Housing Standards

- Must pass Housing Quality Standards (HQS) inspection.
 - Conducted by certified HCD staff.
 - Homes built prior to 1978, will require Lead Based Paint inspection.
 - Home cannot be located in a 100 year flood plain.
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Homebuyer Eligibility

- Must meet gross annual income limits for family size.
 - Must attend HUD approved Homebuyer/Homeownership class to obtain Homebuyer Education Certificate.
 - Homebuyer issued Pre-qualification Letter (good for 6 months).
 - Homebuyer cannot have ownership of any residential property at time of application.
 - Household ratio ("front end ratio") must fall between 28%-32%.
 - Total debt ratio ("back end ratio") may not exceed 45%.
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Lender Requirements

- Loan Estimate Form
 - Lender pre-qualification
 - Signed and dated Form 1003
 - Escrow earnest money contract
 - 3 months of most recent bank statements
 - Paycheck stubs for past 3 months
 - Government issued identification
 - Copy of SS card for all members of household
 - Copy of Homebuyer Education Certificate
 - Underwriter Summary
 - Title Commitment with liens
 - Closing Disclosure
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Title Company Requirements

- Title Company will provide HCD:
 - Original signed promissory note
 - Recorded City of Corpus Christi Deed of Trust
 - Recorded Warranty Deed
 - Final signed Closing Disclosure
 - Insurance Binder showing all liens
 - Title Policy which shows HCD as a lien holder
 - Title Company is responsible for ensuring all documents are complete and correct.
 - HCD will approve packet and wire funds to Title Company.
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Income Limits

INCOME LIMITS (80% of MEDIAN INCOME)

FAMILY SIZE	1	2	3	4	5	6	7	8
ANNUAL INCOME	36,050	41,200	46,350	51,500	55,650	59,750	63,900	68,000

Revised 4/4/2018* Income limits are established by HUD and are subject to change without notice



Questions

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