

## Purchase Assistance Loan

**Program Description**

The intent of this program is to promote owner-occupancy of residential properties. The program provides funding for down-payment/closing cost assistance in conjunction with the purchase of a home within the neighborhood.

**Interest Rate**

0 %

<b>Income Limit</b>	None
<b>Amortization Type</b>	Deferred
<b>Loan Amount</b>	\$1,000 minimum; \$4,000 maximum
<b>Total Project Costs / Matching</b>	It is the borrower’s responsibility to obtain the amount of funds necessary to purchase the property in accordance with the 1st mortgage program guidelines. In the event the final cost exceeds the requested loan amount, the borrower must obtain the additional funds from sources acceptable to the 1st mortgage lender (if any).
<b>Term</b>	<u>10 Years</u> . If the borrower sells, transfers title or if the home is no longer the primary residence prior to the 10-year anniversary date, the entire original principal balance is due and payable. The loan may also become due and payable upon refinance. After 10-years the loan is 100% forgiven
<b>Eligible Borrowers</b>	All borrowers must be legally residing in the United States and may include: <ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Non-Permanent Residents</li> </ul>
<b>Ineligible Borrowers</b>	Ineligible borrowers include; <ul style="list-style-type: none"> <li>• Non-Occupant Co-Borrowers</li> <li>• Borrowers with no legal interest in the property</li> <li>• Non-real person entities (such as Sole Proprietorships, Corporations, etc.)</li> <li>• Properties held in a Contract-for-deed (except when the property is being “refinanced” to wholly transfer ownership).</li> <li>• Foreign Nationals</li> </ul>
<b>Eligible Properties</b>	1-4 unit residential properties located with the geographical boundaries of the Jordan neighborhood. Townhomes and Condominiums are permitted.
<b>Ineligible Properties</b>	Ineligible properties include; <ul style="list-style-type: none"> <li>• Non-owner occupied (aka Absentee Owned)</li> <li>• Dwellings with more than 4 units</li> <li>• Co-ops</li> <li>• Manufactured homes</li> <li>• Properties used for commercial purposes</li> </ul>
<b>Ownership / Occupancy</b>	Owner Occupied only.
<b>Loan-to-Value</b>	Based on 1st mortgage lenders approval, but not to exceed 120%.
<b>Income Limits</b>	None.
<b>Debt-to-Income Ratio</b>	N/A

<b>Multiple Loans per Property / Borrower</b>	Borrowers may only obtain one purchase assistance deferred loan from this program. If ownership changes, the new owner is eligible. If a previous recipient purchases a new qualifying home, they would be eligible again at that new property.
<b>Eligible Improvements</b>	These funds may only be used for down-payment or closing cost requirements related to the purchase of the home.
<b>Ineligible Improvements</b>	N/A
<b>Sweat Equity / Homeowner Labor</b>	N/A
<b>Property Inspection</b>	Not Required.
<b>Post Installation</b>	N/A
<b>Contract / Permits</b>	N/A
<b>Bids</b>	N/A
<b>Work Completion</b>	N/A
<b>Underwriting</b>	<p>Funds may be used toward the down-payment or closing costs required for the purchase of the home. Amount and approval of loan will be determined based on the 1st mortgage approval. CEE requires the following documentation from the 1st mortgage lender:</p> <ol style="list-style-type: none"> <li>1) A CEE application</li> <li>2) A copy of the whole/complete Purchase Agreement</li> <li>3) A copy of the Appraisal or determination of value</li> <li>4) A copy of the Title Commitment</li> <li>5) A copy of the 1st mortgage pre-approval/commitment letter</li> <li>6) A copy of the 1st Mortgage preliminary Loan Estimate or similar closing /financing statement</li> </ol>
<b>Disbursement of Funds</b>	Funds will be disbursed to the Closing Agent, for the Benefit of the Borrower, in coordination with the purchase closing.
<b>Loan Servicing</b>	Community Reinvestment Fund (CRF) will service all loans.
<b>Loan Costs</b>	Borrowers will pay all mortgage filing fees and related closing costs. These fees must be paid at closing-they cannot be financed into the loan amount. CEE's annual administrative fee will be paid, per the program contract.

## **EXHIBIT A9**

### **Loan Security**

All loans will be secured by a Mortgage in the name of the City of Minneapolis.