Purchase Assistance Deferred Loan Program

**Interest Rate:** 0% Deferred

**Loan Amount:** Up to $10,000

**Term:** 10-years. If the borrower sells, transfers title or if the home is no longer the primary residence of the original borrower 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.

**Eligible Borrowers:** All borrowers must be legally residing in the United States and may include (based on approval of 1st mortgage lender). The homebuyer(s) **MUST** attend a Home Stretch workshop or other valid homebuyers course offered through an approved counseling agency by the US Department of Housing and Urban Development and provide evidence prior to closing:

- U.S. Citizens
- Foreign Nationals
- Permanent Resident Aliens
- Non-Permanent Resident Aliens

**Ineligible Borrowers:** Ineligible borrowers include:

- Non-Occupant Co-Borrowers
- Non-real person entities (such as Sole Proprietorships, Corporations, Trusts, etc.)
- Properties held in a Contract-for-deed (except when the property is being “refinanced” to wholly transfer ownership).
- Foreign Nationals

**Eligible Properties:** 1-4 unit residential properties located with the geographical boundaries of the Hawthorne Neighborhood. Townhomes, Condominiums and properties held in a trust are eligible.

**Ineligible Properties:** Ineligible properties include;

- Non-owner occupied (aka Absentee Owned)
- Dwellings with more than 4 dwelling units
- Cooperatives
- Manufactured homes
- Time shares
- Properties used for commercial purposes

**Ownership/Occupancy:** Must be owner-occupied.

**Loan-to-Value:** Based on 1st mortgage lenders approval, but not to exceed 110%.

**Income Limits:** None
Debt-to-Income Ratio: N/A

**Multiple Loans per Property / Borrower:** 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. Borrowers may have a maximum of two Hawthorne NRP loans out from any combination of the programs at any one time.

**Eligible Improvements:** These funds may only be used for down-payment or closing cost related to the purchase of the subject property.

**Underwriting:** Amount and approval of loan will be determined based on the 1st mortgage approval. In order to determine eligibility, CEE requires the following documentation from the 1st mortgage lender:

1) A CEE application
2) Certification that all homebuyers have completed a Home Stretch or other Homebuyers course offered through a counseling agency approved by the US Department of Housing and Urban Development
3) A copy of the whole/complete Purchase Agreement
4) A copy of the Appraisal or determination of value
5) A copy of the Title Commitment
6) A copy of the 1st mortgage pre-approval/commitment letter
7) A copy of the 1st Mortgage loan estimate, closing disclosure or similar closing cost / financing statement.

**Disbursement of Funds:** Funds will be disbursed to the closing agent, for the benefit of the borrower, in coordination with the purchase closing.

**Loan Costs:** 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.