

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
- 2) A copy of the whole/complete Purchase Agreement
- 3) A copy of the Appraisal or determination of value
- 4) A copy of the Title Commitment
- 5) A copy of the 1st mortgage pre-approval/commitment letter
- 6) 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.