

PROGRAM GUIDELINES

(East Phillips: Home Buyer Assistance and Rehab Programs)

Overview: The East Phillips Improvement Coalition (EPIC) has made NRP funds available to purchase and improve homes in the East Phillips neighborhood. There are two programs available: a Home Buyer Assistance Program and a Deferred Rehab and Emergency Loan Program.

Home Buyer Assistance Deferred 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 %

Amortization Type: Deferred

Loan Amount: Up to \$10,000

Total Project Costs / Matching: 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).

Term: 15 years. If the borrower sells, transfers title or no longer occupies the property as their primary residence within 15 years of loan closing, 100% of the loan is due. If the borrower owns and occupies the property for 15 years, the loan is 100% forgiven.

Eligible Properties: 1-4 unit residential properties located within the geographical boundaries of the East Phillips neighborhood. Townhomes, Condominiums and properties held in the name of a Trust are permitted.

Ineligible Properties: Ineligible properties include:

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

Eligible Borrowers: All borrowers must be legally residing in the United States and may include:

- U.S. Citizens
- Permanent Resident Aliens

- Non-Permanent Resident Aliens

Ineligible Borrowers: Ineligible borrowers include:

- Non-Occupant Co-Borrowers
- Borrowers with no legal interest in the property
- Non-real person entities (such as Sole Proprietorships, Corporations, etc.)
- Properties held in a Contract-for-deed (except when the property is being “refinanced” to wholly transfer ownership).
- Foreign Nationals

Ownership / Occupancy: Owner Occupied only.

Loan-to-Value: Based on 1st mortgage lenders approval, but not to exceed 120%.

Income Limit: At or below 80% Area Median Income (AMI), as determined by HUD and adjusted for household size. Income will be determined by the adjusted gross income by the most recent Federal Tax Return. If a tax return is not required the income will be determined by projected income for the next 12 months.

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.

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

Ineligible Improvements: N/A

Sweat Equity / Homeowner Labor: N/A

Property Inspection: Not Required.

Post Installation: N/A

Contract / Permits: N/A

Bids: N/A

Work Completion: N/A

Underwriting: 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. In order to determine eligibility, CEE requires the following documentation:

- 1) A CEE application