

Borrower Fees: Borrower will be responsible for a 1% Origination Fee (which may be financed), Document Preparation Fee, mortgage filing and service fees, flood certificate, credit report and any other applicable closing fees.

Underwriting Decision: Applicants must have acceptable credit history. CEE will approve or deny loans based on a credit report, income verification and other criteria as deemed necessary through CEE's underwriting guidelines. CEE's decision shall be final.

Work Completion: All work must be completed within 9 months of the loan closing.

Down-Payment/Closing Cost Assistance

Interest Rate: 0%.

Loan Amount: 10% of the purchase price with a Minimum of \$5,000 and maximum of \$10,000.

Matching Funds: Borrower(s) must contribute at least \$1,000 of their own funds towards the downpayment.

Term: 10 years. If the property is sold, transferred, or no longer occupied by the homebuyer within 5 years of the purchase 100% of the loan shall be due in full. After 5 years the principal amount due will be reduced by 20% each year. If the property has not been sold, transferred, and is still occupied by the homebuyer as their principal residence for 10 years from the date of purchase the loan shall be 100% forgiven.

Eligible Borrowers: The borrowers must be legally residing in the United States (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. Borrowers must be considered as a first-time homebuyer and meet one of the following:

- Work in the City of Brooklyn Center
- Have a family member who attends school in Brooklyn Center
- Own a business in Brooklyn Center
- Be a current resident of Brooklyn Center

Ineligible Borrowers: Including but not limited to: Foreign Nationals, Non-Occupant Co-Borrowers, and Properties held in the name of a business.

Eligible Properties: 1–2-unit residential properties located with the geographical boundaries of the City of Brooklyn Center. Townhomes, twin-homes, and condominiums are eligible.

Ineligible Properties: Properties with more than 2 dwelling units, Cooperatives, Manufactured homes, properties held in a Trust, Contract-for-Deed and properties used for commercial purposes.

Ownership/Occupancy: Must be owner-occupied within 30 days after time of purchase.

Loan-to-Value: None

Income Limits: 80% AMI based on household size and projected gross income.

Housing Ratio: 35%: The percentage of income that goes towards housing costs including mortgage principal and interest, insurance, property taxes and homeowners' association dues (if applicable). The HRA Executive Director may allow exceptions.

Asset Limit: Must not have gross assets exceeding \$10,000, excluding retirement accounts.

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 if the borrower(s) would be considered as a first-time homebuyer at that time.

Eligible use of funds: 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. 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.

Borrower Fees: Borrower will be responsible for mortgage filing and service fees, flood certificate, credit report fees and any applicable closing fee which may be financed in the loan amount.

General Program Conditions

Application Processing: Loans will be distributed on a first come first serve basis as borrowers qualify. **Applicants must provide a completed application package including the following in order to be considered for funding.**

- Completed and signed application form
- Proof of income
- Proof of Identity (drivers license, passport, etc.)
- Bids or estimates for proposed projects.
- Other miscellaneous documents that may be required.

Program Costs: Loan origination, interest subsidy and remodeling advisor visit fees will be paid out of the Program Budget. Loan program marketing efforts will be billed directly to the City of Brooklyn Center and is a separate expense should the city choose to commission CEE for marketing support.

Total Project Cost: It is the borrower's responsibility to obtain the amount of funds necessary to finance the entire cost of the work. In the event the final cost exceeds the original loan amount, the borrower must obtain the additional funds and show verification of the additional funds to be approved for the loan.

Disbursement Process: Funds for the MHFA Interest Subsidy Program are disbursed to the borrower(s) after loan closing.