

## Down-Payment/Closing Cost Assistance

**Interest Rate:** 0%.

**Loan Amount:** \$5,000 for households earning more than 80% but less than 110% AMI; \$10,000 for households earning 80% AMI or less

**Amortization Type:** Deferred

**Term:** 30 years. If the borrower has not sold or transferred title and still occupies the property 30 years from the date of the loan, the loan is 100% forgiven. If the borrower sells or transfers title of the property, or the property is no longer occupied by the borrower prior to 30 years, the loan is 100% due and payable.

**Eligible Borrowers:** All borrowers must be legal residents of the United States. 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 a first- time homebuyer.

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

**Eligible Properties:** 1–4-unit residential properties located within the geographical boundaries of the City of Fridley. Individual Townhomes, twin-homes, and condominiums are eligible.

**Ineligible Properties:** Non-owner occupied (aka absentee-owned), unless the property is the property being purchased and will become owner-occupied, dwellings with more than 4 dwelling units, Cooperatives, Manufactured homes, properties held in a Contract-for-Deed and properties used for commercial purposes.

**Ownership/Occupancy:** Must be owner-occupied after time of purchase.

**Loan-to-Value:** 110%.

**Income Limits:** 110% AMI based on household size and adjusted gross income from most recent tax return. If a tax return is not required to be filed by the borrower(s) then income will be determined by the projected income over 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 if the borrower(s) would be considered as a first-time homebuyer at that time. ONLY ONE DEFERRED LOAN CAN BE OUTSTANDING AT A 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. In order to determine eligibility, CEE requires the following documentation from the 1st mortgage lender:

- 1) 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
- 6) A copy of the 1st Mortgage loan estimate, prelim-closing disclosure

**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.