

# CITY OF HIGH POINT

## AGENDA ITEM

**Title: Modification to Homebuyer Assistance Programs****From:** Michael E. McNair, Director**Meeting Date:** November 2, 2015**Public Hearing:** N/A**Advertising Date /****Advertised By:****Attachments:** NCHFA DPA program flyer

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**PURPOSE:**

Modify CHP down payment assistant programs to emulate and leverage the state's new DPA program. The program modifications are designed to encourage home buying in the Core-City at all income levels. Consequently, the modifications would only apply to homes purchased in the Core-City. Program enhancements:

- Will pertain to all down payment assistance provided by CHP in the Core-City;
- Provide deferred 5 year loans that are forgiven at a rate of 20% per year;
- Provide assistance of \$7,500 regardless of loan size;
- Homebuyers eligible for HUD funded assistance can combine the two programs;
- Homebuyers eligible for the Core-City Homebuyer Assistance Program can combine with the state program; and
- Homebuyers with household incomes above the state's or HUD's income caps can still access \$7,500 through the Core-City Homebuyer Assistance Program.

Changes can be made immediately upon Council approval.

**BACKGROUND:**

The NC Housing Finance Agency has announced a new down payment assistance program that provides \$15,000 DPA per income eligible household regardless of loan size but the maximum purchase price is \$245,000. The program is only available in 5 counties (Cabarrus, Cumberland, Guilford, Johnston and Mecklenburg). Funding is sourced from the NC Hardest Hit Fund.

**BUDGET IMPACT:**

None, the program will utilize existing appropriated resources (HUD and General Fund).

**RECOMMENDATION / ACTION REQUESTED:**

The Community Development and Housing Department recommends approval of the modifications to the down payment assistance programs and that the appropriate City official and/or employee be authorized to execute all necessary documents.



## *Buying your first home?*

### **You may qualify for \$15,000 in help.**

If you are buying a home in Cabarrus, Cumberland, Guilford, Johnston or Mecklenburg counties, you may be eligible for \$15,000 in down payment assistance in the form of a five-year, deferred loan at zero interest. Even better, stay in your home for five years and you won't need to repay the down payment loan — it is forgiven at 20% per year for each full year you live in the home.

Down payment loans are offered by the N.C. Housing Finance Agency to be used in combination with the Agency's 30-year, fixed-rate N.C. Home Advantage Mortgage™.

First-time buyers also may benefit from a Mortgage Credit Certificate (MCC), which provides a federal tax credit of up to \$2,000 a year. Ask your lender for details.

#### *Am I eligible?*

*You may qualify for the \$15,000 down payment assistance if:*

- You are a first-time home buyer (or have not owned a home in the past three years)
- Your income does not exceed certain limits (see chart on back)
- You purchase an existing home below \$245,000
- You buy in one of the five targeted counties
- Your credit score is 640 or higher
- You complete an in-person or online home buyer education course. Contact your lender for recommendations.

#### *How do I begin?*

To find a participating lender near you, go to the Home Buyer section at [www.nchfa.com](http://www.nchfa.com) or call 1-800-393-0988.

*The special \$15,000 down payment assistance for first-time homebuyers is funded through the U.S. Department of the Treasury's Hardest Hit Fund®. The five counties were chosen to support homeownership in areas that experienced especially high rates of foreclosure during the recent recession.*

**[www.nchfa.com](http://www.nchfa.com) • 1-800-393-0988**

NORTH CAROLINA

**HOUSING  
FINANCE  
AGENCY**

The N.C. Housing Finance Agency, a self-supporting state agency, has helped more than 83,000 North Carolinians purchase a home. It offers the N.C. Home Advantage Mortgage™ with up to 5% down payment assistance statewide for first-time and move-up buyers. Mortgage Credit Certificates are also available statewide for first-time buyers.



# Maximum Qualifying Income

County	Household Size	
	1-2 Persons	3+ Persons
Cabarrus	\$67,000	\$77,000
Cumberland	\$62,000	\$71,000
Guilford	\$67,500	\$78,000
Johnston	\$76,000	\$85,000
Mecklenburg	\$67,000	\$77,000

Applying for an N.C. Home Advantage Mortgage™ with the \$15,000 down payment assistance is easy. Once you complete your application, your lender will submit it along with normal income documentation to us. In most cases, we'll review your loan for approval in less than 24 hours.

If you are not purchasing a home in one of the five targeted counties or are not a first-time buyer, you still may be eligible for down payment help. Down payment assistance up to 5% of the loan amount is available statewide with the N.C. Home Advantage Mortgage™ to eligible move-up as well as first-time buyers with incomes at or below \$87,500.

Mortgage Credit Certificates are also available throughout North Carolina (for first-time home buyers only). Learn more at [www.nchfa.com](http://www.nchfa.com).

