



Down Payment Programs

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Mortgage Guidelines for Primary Mortgage

1/20/2011 Revision

NeighborWorks® Green Bay Down Payment Closing Cost Assistance Programs

NEIGHBORWORKS® GREEN BAY USES SEVERAL DOWN PAYMENT ASSISTANCE PROGRAMS, IN ALL CASES THE PROPERTY MUST REMAIN OWNER OCCUPIED:

NRC, HOME, FHLB, Down Payment Plus, EAHP, BCHA Conversion Program

NRC (NeighborWorks® Green Bay)

- 1. Buyer DOES NOT have to be a first time buyer**
- 2. Buyer must follow Primary Mortgage Guidelines (See attached DPCC Loan Policy Guidelines)**
- 3. Buyer must contribute a minimum of \$1,000 to the transaction**
- 4. DPCC second mortgage will be determined by a percentage of 4.75% of the sales contract purchase price, with a minimum loan amount of \$3,000 and a maximum of \$5,000.**
- 5. Home must be in the NeighborWorks® Green Bay Lending Area**
- 6. Home must be inspected by a State Certified Home Inspector (See attached DPCC Home Inspection Requirements). A list of preferred home inspectors will be provided.**
- 7. Assistance is a 0% interest deferred loan**
- 8. Borrower must complete Homebuyer Education through NeighborWorks®**
- 9. \$600 Counseling / Program fee charged to the borrower at closing**
- 10. NO INCOME LIMITS Note- Borrower(s) who use an FHA-Insured first Mortgage are limited to 115% CMI.**
- 11. Any Lender can use NRC Down Payment Funds**
- 12. Mortgage MUST be recorded in Second Position**
- 13. NRC Funds cannot be used to satisfy the Down Payment Requirements for FHA Loans**

HOME (NeighborWorks® Green Bay)

- 1. Buyer DOES NOT have to be a first time buyer**
- 2. Buyer must follow Primary Mortgage Guidelines (See attached page)**
- 3. Buyer must contribute a minimum of \$1,000 to the transaction**
- 4. DPCC second mortgage will be determined by a percentage of 4.25% of the sales contract purchase price, with a minimum loan amount of \$3,000 and a maximum of \$5,000.**
- 5. Home must be in the NeighborWorks® Green Bay Lending Area**
- 6. Home must be inspected by a State Certified Home Inspector (See attached DPCC Home Inspection Requirements). A list of preferred home inspectors will be provided.**
- 7. Assistance for HOME is a 0% interest deferred loan, IMPACT HOME loans are forgivable after a retention period of five years.**
- 8. Borrower must complete Homebuyer Education through NeighborWorks®**
- 9. Income Limits Apply – 80% County Median or less for family size.**
- 10. Any Lender Can Use HOME Down Payment Funds**

FHLB AHP LOAN (NeighborWorks® Green Bay)

1. Buyer DOES NOT have to be a first time buyer
2. Buyer must contribute a minimum of \$1,000 of their own funds
3. Home DOES have to be in the NeighborWorks® Green Bay Lending Area
4. FHLB offers up to \$5,000 for a Single or Two- Family Home
5. Home must be inspected by a State Certified Home Inspector
6. Buyer must follow Primary Mortgage Guidelines (See attached page 4)
7. Assistance is a FIVE YEAR FORGIVABLE LOAN, 20% FORGIVEN ANNUALLY
8. Borrower must complete Homebuyer Education through NeighborWorks®
9. The \$500 Counseling / Program Application Fee will be deducted from the loan
10. Income Limits Apply – 60% County Median or less for family size
11. Lender Limited. Please consult a NeighborWorks® Counselor for more information

Maximum Gross Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	\$36,900	\$42,150	\$47,450	\$52,700	\$56,900	\$61,150	\$65,350	\$69,950
60%	\$27,625	\$31,620	\$35,580	\$39,540	\$41,880	\$45,840	\$49,020	\$52,200

(NStep—03/30/09)

DOWNPAYMENT PLUS PROGRAM (Statewide Program)

1. Buyer DOES NOT have to be a first time buyer
2. Buyer must contribute a minimum of \$750 of their own funds
3. Home DOES NOT have to be in the NeighborWorks® Green Bay Lending Area
4. FHLB offers up to \$4,000 for a Single or Two- Family Home
5. Assistance is a FIVE YEAR FORGIVABLE LOAN, 20% FORGIVEN ANNUALLY
6. Borrower must complete Homebuyer Education.
7. The \$600 Counseling Fee will be deducted from loan
8. Income Limits Apply – 80% County Median or less for family size
9. Lender Limited (FHLB Members who have DPP Agreements) Please call the participating lenders (see website: www.wphd.org/dpp07/listofalldppbanks.cfm).

BCHA CONVERSION PROGRAM

1. The BCHA Conversion Program offers assistance of \$5,000 (\$10,000 if converting a duplex into a single family home).
2. Buyer must contribute \$1,000 of their own funds to the closing.
3. Buyer's income MUST be in excess of 80% of the County Median Income. Note- Borrowers who use an FHA-Insured first Mortgage are limited to 115% CMI.
4. Home must be within the City of Green Bay targeted "Impact Area".
5. Buyer must complete NeighborWorks® Green Bay Home Buyer Education Class.
6. Home must be inspected by a State Certified Home Inspector.

EMPLOYER ASSISTED HOMEOWNERSHIP PROGRAMS (EAHP)

1. EAHP offers up to \$5,000 for a Single or Two- Family from NeighborWorks® Green Bay and up to \$3,000 from the Employer for the home purchase
2. The NeighborWorks® Green Bay contribution will be drawn from the appropriate Down Payment Assistance Program for the Employee and will be deferred or forgiven as per loan product.
3. The purchased property must be in the NeighborWorks® Lending Area for HOME funds and in the City of Green Bay for NRC funds.
4. WHEDA purchase price limits apply outside the NeighborWorks Lending Area
5. Loan product must comply with Primary Mortgage Guidelines (See attached DPCC Loan Policy Guidelines)
6. Home must be inspected by a State Certified Home Inspector
7. **THE EMPLOYER PORTION WILL BE FORGIVABLE AFTER FIVE YEARS, 20% ANNUALLY**
8. Borrower must complete Homebuyer Education through NeighborWorks®
9. There is a \$250 Program Application Fee for the Employer Assistance Program
10. **NO INCOME LIMITS** apply for the Employer Assistance Program
11. Lender of Employee's Choice unless the NeighborWorks® portion is required to be at a specified NeighborWorks® / FHLB Member
12. Employers are American Foods, ANAMAX, Services Plus & Clarity Care

NSP (NeighborWorks® Green Bay)

1. **Only applies to NeighborWorks® Green Bay NSP Rehab projects.**
2. Buyer DOES NOT have to be a first time buyer
3. Buyer must follow NeighborWorks® Green Bay DPCC Loan Policy Guidelines (See attached pages 6 & 7)
4. Amount of secondary financing will be determined by the terms of the Offer to Purchase as related to the listed sales price.
5. Home must be in the NeighborWorks® Green Bay Lending Area
6. Assistance through the NSP program will in the form a 0% interest deferred secondary mortgage loan/lien. Funds may be used for principle reduction, and/or down payment assistance, and/or closing costs associated with the primary loan transaction. The promissory note and mortgage will be recorded in the name of the *Redevelopment Authority of the City of Green Bay*. Loans will be forgiven if the property remains owner-occupied for a minimum period of:

Five years for loans up to \$15,000

Ten Years for loans between \$15,000 and \$40,000

Fifteen years for loans that exceed \$40,000

7. Borrower must complete Homebuyer Education Program through NeighborWorks®
8. Income Limits Apply – 120% County Median (CMI) or less for household size. Note- Borrowers who use an FHA-Insured first Mortgage are limited to 115% CMI. *Some homes may be limited to 50% CMI
9. Any Lender Can Use NSP Funds.

DPCC Home Inspection Requirements

All properties, on which a home buyer is seeking financial assistance from NeighborWorks[®] Green Bay, must have the property inspected by a State of Wisconsin Certified Home Inspector from the NeighborWorks[®] preferred list. (see below)

If significant deficiencies are noted, NeighborWorks[®] Green Bay reserves the right to inspect the property and request an opinion from a contractor or engineer, at the buyer's expense.

Prior to closing, all major structural deficiencies, mechanical deficiencies and health/safety items must be corrected. If circumstances do not allow for corrections to be completed prior to closing, NeighborWorks[®] Green Bay must approve a viable plan for such repairs to be made in a timely manner. **All** health and safety issues must be rectified prior to closing. Appropriate funds needed for such repairs must be escrowed with a title company.

Home Inspector must complete the Neighborworks[®] Home Inspection Checklist form.

Preferred Home Inspector List

- **Dave Pribyl; First Choice Inspection Services: (920) 660-3000**
- **Bob Hansen; Inspection and Building Services: (920) 496-0492**
- **Bruce Low; Bottom Line Home Inspection: (920) 255-2197**
- **Andy Basten; Basten Home Inspection: (920) 434-8908**
- Ron Nohre; Bayside Inspections LLC: (920) 339-8872

NeighborWorks® Green Bay DPCC Loan Policy Guidelines (revised 8-1-10)

1. The interest rate on the primary mortgage may not exceed 1.5% over the current “Average Prime Offer Rates-Fixed” (30 year term) as posted on the NeighborWorks website (source ffiec.gov).

2. Home must be inspected by a State Certified Home Inspector (See attached DPCC Home Inspection Requirements)
NeighborWorks owned properties and new construction with a certificate of occupancy are exempt.
If using an inspection that was originally done for someone other the current buyer(s) – it must have been done within the past sixty days (60) and the report must be reissued in buyer’s name.

3. Closing costs (Excluding pre-paids, escrows and FHA up-front MIP) shall not exceed 3%* of the loan for ALL Loan products – Excluding WHEDA *Rate buy downs must be reviewed and approved by NeighborWorks® Community Reinvestment Committee.

Exceptions can be considered based on loan size – Lower loan amounts will result in a higher percentage of fees. As a guideline, we will consider the fee amount relative to an average sized loan (\$90,000)

4. At all times the buyer shall have a minimum investment of \$1,000** of their own funds invested in the transaction. A gift from an immediate family member with a gift letter is an acceptable source. Homebuyers who are disabled or have a family member with a disability may utilize a disability grant to satisfy the \$1000 requirement. If buyer is involved with a Habitat for Humanity Home, then we will allow the dollar amount determined by Habitat in the form of sweat equity to be used towards the buyer’s minimum investment. ** The NeighborWorks® – FHA approval requires that the buyer provides a minimum of 3.5% of their own funds from an acceptable HUD source if the source of down payment assistance is Neighborhood Reinvestment funds (NRC) . Home Funds from the City of Green Bay is an acceptable source.

5. No loan will be approved if property is zoned industrial or commercial and the dwelling purchased would be considered a non-conforming use.

Exceptions - MUST BE APPROVED BY NEIGHBORWORKS BOARD OF DIRECTORS

6. No loan will be approved if it has a Prepayment Penalty Clause.

7. **No loan will be approved with a backend ratio exceeding 43%.**
 Exceptions can be considered if the overall loan factors are favorable, including residual income.
 However, under no circumstance can the ratio exceed 45%
8. **No loan will be approved with a sub-prime loan product.**
9. **All loans must escrow for property taxes.**
10. **Loans must be permanently amortizing and have a minimum term of five years. Balloon loans will not be acceptable.**
11. **Down Payment Assistance from NeighborWorks® along with the buyer contribution shall not exceed 20% of the value of the home. (Exceptions on a case by case basis – For Section 8 - Housing Choice Voucher Homeownership Option Program recipients only).**
12. **First-time homebuyers who are disabled or have a family member with a disability (who would qualify for a disability grant, i.e. Movin' Out) and who are not participating in the Section 8 - Housing Choice Voucher Homeownership Option Program and seek to purchase a home within the limits of the City of Green Bay are exempted from the NeighborWorks®Green Bay lending area restrictions for loans made from the NRC, City HOME funds and FHLB funds. NRC, City HOME funds and FHLB funds will not be made available to buyers outside the corporate limits of the City of Green Bay.**
13. **For Section 8 - Housing Choice Voucher Homeownership Option Program recipients, at all times client must have \$1,000.00 of their own funds unless they are receiving disability. Loan must meet above guidelines as well as debt ratios of 28/36%. Balloon products are not allowed under the Section 8 Program. If you are qualifying for Housing Choice Voucher Homeownership Program please contact Jody Figgins at 496-1916 at ICS for a complete list of requirements.**
14. **If primary mortgage requires the use of a non-occupant co-borrower for approval, the buyer does NOT qualify for DPCC assistance.**
15. **All of NeighborWorks®Green Bay DPCC programs are subject to approval from primary mortgage lender.**
16. **All programs are subject to availability of funds**