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Down Payment & Closing Cost Assistance Programs & Primary Mortgage Lender Guidelines

Lending and Housing Counselors

To schedule your counseling appointment, login to your NeighborWorks Account at nwgreenbay.org

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NEIGHBORWORKS® GREEN BAY OFFERS SEVERAL DOWN PAYMENT AND CLOSING COST ASSISTANCE PROGRAMS FOR PURCHASE TRANSACTIONS OF A SINGLE-FAMILY RESIDENCE AND/OR A TWO UNIT RESIDENCE OR CONDOMINIUM. IN ALL CASES THE PROPERTY BEING PURCHASED MUST BE OWNER OCCUPIED AND THE ONLY PROPERTY OWNED AT THE TIME OF PURCHASE. THE FOLLOWING IS A LIST OF GENERAL REQUIREMENTS REGARDLESS OF THE PROGRAM BEING USED FOR ASSISTANCE:

- All program funds are subject to availability. Please ask a housing counselor for fund balance.
- Buyer DOES NOT have to be a first-time buyer.
- Buyer must invest a minimum of \$1,000 into the purchase transaction.
- Buyer must complete the Homebuyer Education Course **AND** Counseling that is offered through NeighborWorks Green Bay
- An accepted offer to purchase must be submitted in order to reserve funds for the buyer.
- Unless noted, Primary Mortgage Lender Guidelines must be followed per the NeighborWorks Green Bay policy on Pages 6-7.
- All income eligibility requirements are determined by using the Area Median Income (AMI) chart for Brown County shown below (*subject to annual changes*).
- Each year, the buyer will be required to complete a residency verification form that will be sent by NeighborWorks Green Bay. It verifies that the buyer is still residing in the home and has homeowners insurance.

SIZE OF HOUSEHOLD -- Effective May 1, 2020									
Brown County	AMI%	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
	30%	17,300	19,800	22,250	26,200	30,680	35,160	39,640	44,120
	50%	28,850	32,950	37,050	41,150	44,450	47,750	51,050	54,350
FHLB AHP	60%	34,620	39,540	44,460	49,380	53,340	57,300	61,260	65,220
DPP	80%	46,100	52,700	59,300	65,850	71,150	76,400	81,700	86,950
	100%	57,600	65,850	74,050	82,300	88,900	95,450	102,050	108,650
FHA	115%	66,250	75,700	85,200	94,650	102,200	110,400	119,200	128,750
NLF	120%	69,150	79,000	88,900	98,750	106,650	115,200	124,400	134,350

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DOWN PAYMENT & CLOSING COST ASSISTANCE PROGRAMS

Purchase Assistance Loan (PAL - Funded by Brown County Housing Authority)

1. Home being purchased must be within the City Limits of Green Bay OR Brown County.
2. Income Limits Apply- If purchasing within the City Limits of Green Bay, income must be 120% of the AMI or less according to household size. If purchasing outside of the City limits, but within Brown County, income must be 80% of the AMI or less according to household size. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
3. FHA Insured Mortgages: NeighborWorks Loan Fund funds CANNOT be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
4. Any lender can use BCHA down payment funds
5. BCHA: Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided).*
6. Source: Brown County Housing Authority
7. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
8. Assistance is a 0% interest rate, deferred payment loan.
9. Home being purchased must be a single family, owner occupied home.
10. Loan amount for purchasing within the City Limits of Green Bay is \$5,000.00. If purchasing outside the City Limits, but within Brown County, the loan amount is \$7,500.00
11. This program will be offered prior to NeighborWorks Loan Fund (NLF) until PAL funds have been exhausted.
12. There is a \$500 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure. BCHA funds are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

HOME Loan

1. HOME LOAN: The home being purchased must be in the City of Green Bay.
2. Home Purchase Price Limit: \$166,000
3. Income Limits Apply - 80% Area Median Income or less according to household size.
4. FHA Insured Mortgages: *NeighborWorks Loan Fund funds cannot be used to satisfy the minimum down payment requirement. See Mortgagee Letters 2019-12 rescinding 2019-06, 2019-07, and 2019-10.*
5. Any lender can use HOME down payment funds.
6. NeighborWorks Green Bay will conduct an HQS inspection and a HUD standardized visual assessment of all painted surfaces of the property. Deficiencies to be remediated prior to closing.
7. Source: Redevelopment Authority of the City of Green Bay.
8. A mortgage will be recorded in Second Position by the Redevelopment Authority of the City of Green Bay C/O NeighborWorks Green Bay.
9. HOME Assistance is a 0% interest rate, deferred payment loan.
10. HOME: Loan amount will be \$5,000.
11. There is a \$500 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure. HOME funds are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

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NeighborWorks Loan Fund (NLF) (Formerly 'NRC')

1. The home being purchased must be within Brown County.
2. Income Limits Apply – 120% Area Median Income or less according to household size
FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
3. FHA Insured Mortgages: NeighborWorks Loan Fund funds CANNOT be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
4. Any lender can use NeighborWorks Loan Fund down payment funds.
5. Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.)*
6. Source: NeighborWorks America / Neighborhood Reinvestment Corporation, North Shore Bank Equity Equivalent Loan, Johnson Bank Equity Equivalent Loan, Nicolet National Bank Equity Equivalent Loan.
7. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
8. Assistance is a 0% interest rate, deferred payment loan.
9. The loan amount will be up to \$5,600 for a single or owner-occupied duplex.
10. There is a \$600 "Homebuyer Counseling Fee" which will be added to the primary lender's Closing Disclosure. NeighborWorks Loan Fund loans are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

AHP Loan – 2017 Federal Home Loan Bank Affordable Housing Program

1. The home being purchased must be within Brown, Oconto, Door, Calumet, Fond du Lac, Kewaunee, Manitowoc, Outagamie, Shawano, Sheboygan, Winnebago Counties.
2. Income Limits Apply – 48 Grants under 60% AMI and 12 Grants under 80% Area Median Income.
3. Primary Mortgage Lender Guidelines must be followed. *(See Pages 6-7)*
4. FHA Insured Mortgages: AHP funds CANNOT be used in conjunction with FHA insured mortgages.
5. Lender limited – Grant Sponsor Banks include **North Shore Bank, Associated Bank, and Nicolet Bank.**
6. Assistance is a 5-YEAR FORGIVABLE loan *(forgiven monthly)*.
7. Home must be inspected by a State Certified Home Inspector. *(See Home Inspection Requirements on Page 5.)*
8. Source: FHLB / Sponsor Bank. (up to 15 grants may go to non-grant sponsor banks.)
9. A retention agreement will be recorded in Second Position per the Sponsor Bank.
10. FHLB offers a loan amount up to \$6,000 for a Single or Two-Family Home.
11. There is a \$500 Homebuyer Counseling Fee.
12. Grant requirements: Rehabilitation, homelessness prevention, and disability restrictions exist. (see program guide for further details and qualifying criteria.)
13. AHP loans are FORGIVEN on a monthly basis over a 5-year period. Payment of the balance due is expected if, prior to 5 years of residency, the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

BCHA Loan / BCHA Conversion Loan

1. The home being purchased must be in the NeighborWorks Green Bay IMPACT Lending Area.
2. Income Limits Apply - Income MUST be *in excess of 80%* of the AMI according to household size.
FHA Insured Mortgages: Income Limits Apply - must be 115% AMI or less according to household size.
3. FHA Insured Mortgages: BCHA funds CANNOT be used to satisfy the minimum down payment requirement. Primary Mortgage Lender Guidelines may or may not apply. *(See Pages 6-7)*
4. Any lender can use BCHA / BCHA Conversion down payment funds.
5. BCHA: Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.)*

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6. BCHA CONVERSION: NeighborWorks Green Bay reserves the right to request certain funds to be escrowed for specific renovation repairs.
7. Source: Brown County Housing Authority.
8. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
9. Assistance is a 0% interest rate, deferred payment loan.
10. Single Family Residence: Loan amount of \$5,000.
11. Conversion Home (*duplex into a single-family home*): Loan amount of \$10,000 in the form of a credit held by the title company. The funds are to be escrowed and released upon submitting an invoice of repairs. Repairs must be completed within one (1) year and may include a follow-up inspection.
12. No program fee to the client.
13. BCHA and BCHA Conversion loans are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

DPP Loan - Down Payment Plus (Statewide Program)

1. NeighborWorks Green Bay is a HUD Approved Housing Counseling Agency and has adopted National Industry Standards for Homeownership Education and Counseling. NeighborWorks Green Bay meets the 2020 DPP requirements for homebuyer education and counseling.
2. Primary Mortgage Lender Guidelines may not apply. (*See FHLB-Chicago Downpayment Plus Programs Program Guide 2020 at www.fhlbc.com*)
3. Lender limited to FHLB Members who have DPP Agreements. Please call the participating lenders (see website: <http://www.fhlbc.com/Members/Pages/Members-List.aspx?state=WI>)
4. No DPCC Home Inspection required but is highly recommended.
5. Source: FHLB / Sponsor Bank.
6. Retention Agreement will be recorded in Second Position by the Sponsor Bank.
7. Assistance is a 5-YEAR FORGIVABLE loan (*pro rata over a 60-month period*).
8. The maximum grant amount is the lesser of \$6,000 or three times the homebuyer's net contribution.
9. DPP loans are FORGIVEN on a monthly basis over a 5-year period. Payment of the balance due is expected if, prior to 5 years of residency, the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*
10. NeighborWorks will not allow third party education providers. There is a \$500 Homebuyer Counseling Fee to be listed on the primary bank Closing Disclosure. This fee is an 'all-in' cost of \$500 to the Buyer. We will be netting the cost of the class from \$500 depending upon the education cost incurred by the Buyer.

EAHP - Employer Assisted Homeownership Program

The EAHP program is offered to qualified employees of American Foods Group, Services Plus, and Clarity Care. A second mortgage may be provided to the buyer through a NeighborWorks DPCC assistance program (i.e., NEIGHBORWORKS LOAN FUND, HOME, DPP). An additional 3rd mortgage is provided through the employer. (Terms may vary per employer.)

1. When using NEIGHBORWORKS LOAN FUND funds: The purchased property must be in Brown County and is not restricted to the lending area.
2. When using any other DPCC program: The purchased property must be in the NeighborWorks Green Bay Lending Area as the program requires. No income limits apply for conventional financing.
3. FHA Insured Mortgages: Borrower(s) who qualify for NEIGHBORWORKS LOAN FUND funds are limited to 115% AMI.
4. WHEDA Financed Mortgages: Purchase price limits apply when property is located outside the NeighborWorks Green Bay Lending Area.

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5. Refer to DPCC program requirements about whether the designated funds can be used to satisfy the 3.5% FHA minimum down payment requirement.
6. Any lender of employee's choice may be used unless the NeighborWorks Green Bay DPCC program being used requires otherwise. Lender / investor must approve employer portion as an acceptable source of Down Payment Assistance. Please consult with your lender.
7. Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.)*
8. Source: The NeighborWorks Green Bay contribution will be drawn from one of several DPCC programs. See program terms and requirements of the designated program.
9. Participating employers of the EAH program offer a loan amount up to \$3,000 for the purchase of a home within the City of Green Bay.
10. If eligible for both EAH and NLF, EAH funds can be paired with NLF funds in the amount of \$2,600. *(See NeighborWorks Loan Fund (NLF) (Formerly 'NRC') for requirements on page 3. Supplemental NLF funding is based on availability of NLF. If eligible for DPP, DPP funds will be used in place of additional NLF funds.)*
11. A mortgage will be recorded in Second Position by NeighborWorks Green Bay and an additional mortgage will be recorded in Third Position per sponsoring Employer as allowed per the investor.
12. There is a \$300 Administrative Fee for the Employer Assistance Program in addition to any fees charged per NeighborWorks DPCC program. If the Employer Assistance Program is being paired with NLF, there is a maximum fee of \$600.
13. The Employer contribution is FORGIVABLE after a three- or five-year retention period depending upon the specifics of the Employer terms. Funds for the remaining balance will be due and payable if prior to the retention period the home is sold, there is a change in ownership, home is no longer owner occupied or mortgage is refinanced. *Exceptions may apply.*

HOME INSPECTION REQUIREMENTS

All properties in which a homebuyer is seeking financial assistance from NeighborWorks Green Bay must have a property inspection conducted by a State of Wisconsin Certified Home Inspector.

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 can be escrowed with a title company.

For other professional home repair referrals visit Brown County Home Builders Association at www.bchba.org.

PRIMARY MORTGAGE LENDER GUIDELINES

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 www.ffiec.gov.
2. Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5.)*

NeighborWorks Green Bay-owned properties and new construction with a certificate of occupancy are exempt. If using an inspection that was originally done for someone other than 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.

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3. Closing cost shall not exceed 3% of the loan amount for all loan products – excluding WHEDA.
 - 3% excludes Pre-Paid, Initial Escrows, and FHA Upfront MIP (if applicable)
 - No rate buy-downs in excess of 1 point are permitted.
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.
5. **** The NeighborWorks Green Bay - 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 NEIGHBORWORKS LOAN FUND. HOME funds from the City of Green Bay is an acceptable source.**
6. 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 the NeighborWorks Green Bay Board of Directors.*
7. No loan will be approved if it has a Prepayment Penalty Clause.
8. No loan will be approved with a backend ratio exceeding 45%. Ratio is based on NeighborWorks Green Bay's income calculation of all household adult income earners / total debts from lenders 1003.
 - *Exceptions can be considered if the overall loan factors are favorable, including residual income.*
9. No loan will be approved with a sub-prime loan product or with private financing.
10. All loans must escrow for property taxes.
11. Loans must be permanently amortizing and have a minimum term of five years during which the rate shall be fixed. Balloon loans will not be acceptable.
12. Down Payment Assistance from NeighborWorks Green Bay along with the buyer contribution shall not exceed 20% of the value of the home.
Exceptions are on a case-by-case basis for Section 8 - Housing Choice Voucher Homeownership Option Program recipients only.
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 the Housing Choice Voucher Homeownership Program, please contact Integrated Community Solutions at (920) 498-3737.
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 NeighborWorks Green Bay DPCC programs are subject to approval from primary mortgage lender.
16. All programs are subject to availability of funds.

PROCEDURE FOR REQUEST FOR LOAN POLICY EXCEPTIONS

The following procedure will be used for item numbers 3, 7, 11 and 13 only. (The CRC will have the authority to grant exceptions to these policies.) The request for exception will be drafted by the Housing Counselor and presented to the Community Reinvestment Committee (CRC) for review via one of the following methods:

1. *Email*
 - a. CRC members will review the request and **RESPOND TO ALL** with feedback and a **YES** or **NO** vote. The Counselor will specify the time frame in which responses must be received. The Counselor must receive a minimum of seven (7) votes to render a decision. In the case of a tie, the Executive Director will vote to break the tie.
2. *Scheduled CRC Meeting Agenda*
 - a. Following a discussion of the request, a vote will be taken with present members. If a minimum of seven (7) members are not present, then the request will be sent to remaining members via email for their vote. In the case of a tie, the Executive Director will vote to break the tie.

The following procedure will be used for item number 5 only.

The above procedure will be followed, however if the voting results in a **YES** decision this will serve as a recommendation to be brought before the NeighborWorks Green Bay Board of Directors for final approval.