



# Affordable Housing 10% Loan Assistance Program

**The Affordable Housing 10% Loan Assistance Program** is designed to assist potential low to moderate income<sup>1</sup>, first time homebuyers<sup>2</sup> with downpayment / closing costs. Loans of up to 10% of the sales price of the home may be available to qualified borrowers meeting program guidelines listed below. Assistance will be in the form of a secured loan amortized for 120 months at 0% interest.

**APPLICANT ELIGIBILITY** — Qualified first-time low to moderate-income (55%-120% of area median) homebuyers (qualified buyers are to meet credit, employment, loan to value and income debt standards established by the City of Greenville and the mortgage lender). The funds can be used for the purchase of a single-family dwelling, condominium, or townhouse. Funds cannot be used for the purchase of a mobile home. Buyers must satisfactorily complete homeownership education program, present certificate of completion and pre-qualify with a mortgage lender. Buyers must occupy dwelling as principle residence.

**LOCATION & PRICE** — Home must be within city limits and meet City of Greenville minimum housing standards. Maximum sells price of the home cannot exceed \$150,000.00 for an existing home or new construction.

**MINIMUM BORROWER INVESTMENT** — \$1,000.00 plus closing cost (closing cost must be paid by buyers, seller, or through available city funds).

**SECURITY** — A Deed of Trust in the amount received will be recorded taking a second position (no less than a third position if using other City funds).

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<sup>1</sup> Low to moderate-income is defined by the U.S. Department of Housing and Urban Development (HUD) and refers to households with income at or below 80% of area median for Greenville, NC. (These percentages are adjusted each year and are based on household size. Staff will determine your income percentage.)

<sup>2</sup> First Time Home Buyer is a homebuyer not having owned a home in the past 3 years.



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**OTHER** — Applicant must pre-qualify with lending institution before applying for downpayment / closing cost assistance with the City of Greenville. Applicant must provide a signed copy of the Lender's Good Faith Estimate (GFE) with all fees disclosed, the interest rate and terms of loan. Mortgage lenders used for financing on the first mortgage must include escrows as part of their package.

## **UNACCEPTABLE FIRST MORTGAGE PRODUCTS** —

- Loans with owner financing as part of the structure are not acceptable.
- All loans to borrower must be cost effective. Interest rates should be at market rate or less with no loan discount points, loan origination fee should be 1% or less and all loan fees should be normal and not excessive.
- First mortgage loan products that balloon prior to 30 years, adjustable rate mortgages, buy-down or step mortgages, loans with less than 20 year terms and loans with call options should not be considered as acceptable programs for borrowers requesting City of Greenville Downpayment / Closing Cost Assistance Programs.

**For more information, please contact City of Greenville Community Development Housing Division at (252) 329-4481.**

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