



# Downpayment Assistance Program (DPA)

**The HOME Downpayment Assistance Program** is designed to assist potential low to moderate income<sup>1</sup>, first time homebuyers<sup>2</sup> with downpayment assistance to purchase a home within the incorporated City Limits of Greenville. A No Interest Forgivable Loan of up to 20% of the sales price of the home with a cap of \$20,000.00 may be available to qualified borrowers meeting program guidelines below. Assistance will be in the form of a secured no interest loan, forgiven by 1/15 of the original principal balance on an annual basis for the 15-year recapture period. Funds can be combined with other assistance programs but in no case can an applicant receive more than 20% of the sales price of the home from City of Greenville subsidies.

**ELIGIBILITY** — Qualified first-time low to moderate-income (80% or less 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 located within the incorporated City Limits of Greenville. 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 the incorporated City Limits of Greenville and meet the City of Greenville minimum housing standards. Maximum sales price for downpayment assistance is \$150,000.00 for an existing home or new construction.

**MINIMUM INVESTMENT** — \$1,000.00 plus closing cost (closing cost may be paid by buyer, seller, or through other available 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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**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).

**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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