



## Southern Madison County Down Payment Assistance + Rehabilitation Grant

Thank you for your interest in our Down Payment & Rehabilitation Assistance Program! We want to take this opportunity to review the process for this program to avoid any confusion, please review the enclosed information carefully. If you would like any additional information regarding this process please contact us at 315.724.4197.

The Southern Madison County Down Payment Assistance + Rehabilitation Grant is for first time home buyers that want to live in the towns of Eaton, Madison, Lebanon, Brookfield and Hamilton with preference to those applying within the village and the town of Hamilton.

In order to qualify for our program you must complete First Time Home Buyer Education & Coaching with the HomeOwnershipCenter.

### What is it?

- A 100% forgivable loan to assist first time home buyers with the purchase and repair of a home.
- This grant provides down payment assistance only. The minimum applicant contribution is \$2,000. All closing costs are the responsibility of the buyer. Buyer must be able to demonstrate their ability to pay estimated closing costs.
- Rehabilitation that corrects structural defects or repairs building systems that may threaten the health and safety of the occupants will be addressed first. Properties that are severely deteriorated to the point where rehabilitation expenses exceed reasonable moderate rehabilitation will not be approved for purchase by the applicant.
- A 10 year lien is placed against the home. As long as the owner remains in the property for 10 years, the lien is satisfied.

### Award Terms

Down payment is awarded based on household income level and demonstrated need. Projected housing ratios (based on your homes purchase price) that fall under 25% with the maximum award will have the down payment portion of the grant reduce until housing ratio is above 25% per state guidelines. The rehabilitation portion of the grant will change based on the down payment award amount. Housing ratios that exceed 33% must be able to demonstrate compensating factors, and must receive an exemption from Partnership for Community Development. Households must demonstrate that they can afford and maintain a housing ratio above 33%.

Income Level	Up to* Down Payment Assistance	Rehab (based on DPA)	Maximum Award
0-112%	\$15,000.00	\$16,500.00+	\$31,500.00
113-137%	\$9,750.00	\$15,000.00+	\$24,750.00

### Income Limits

Household size

Limits	1	2	3	4	5	6	7	8
112%	\$47,578	\$54,387	\$61,197	\$67,917	\$73,382	\$78,848	\$84,224	\$89,690
137%	\$58,198	\$66,527	\$74,857	\$83,077	\$89,762	\$96,448	\$103,024	\$109,710

To be considered for this program you must submit a complete and signed application. Application will not be considered complete unless all documents are submitted, (see enclosed check list). If you have signed up for a COMPASS account through the HomeOwnershipCenter, all of your documents can be uploaded and shared quickly and securely through the online portal. [www.unhs.neighborworkscompass.org](http://www.unhs.neighborworkscompass.org)





## Southern Madison County Grant Fact Sheet

### Applicant Eligibility Requirements:

- Complete First Time Home Buyer Education and coaching through the HomeOwnershipCenter.
- Gross income must be at or below 137% of HUD low income limits adjusted for Madison County (see chart below)
- Combined household assets must be limited to no more than 25% of the unsubsidized sale price of the rehabilitated home.
  - Buyers must provide a certification disclosing the household's total assets. Household assets include any down payment deposit, monies in savings or checking accounts, certificates of deposit, stocks and bonds, and the value of any real property, less outstanding debt.
- Proposed housing ratios must fall between 25%-33%. Any housing ratio outside that range must have justification and be granted a waiver by PCD. Waivers can only be granted if:
  - There is an appraisal gap
  - The buyer cannot meet the down payment requirement of their selected mortgage product.
- Be a first time home buyer according to HUD guidelines
- Be mortgage ready & qualify for a mortgage with a fair interest rate and terms with an affordable payment.
- Contribute at minimum of \$2,000 of your own funds toward the purchase of the home.
  - This program provides a down payment grant, with the intention of reducing how much you need to borrow, and keeping your monthly payment affordable.
  - Closing costs are the responsibility of the buyer. Buyer must be able to demonstrate their ability to pay estimated closing costs.

### Property Requirements:

- Existing single family homes situated within the target areas of
  - Town of Hamilton
    - Preference for those applying to purchase a home in the village or town of Hamilton.
  - Eaton
  - Madison
  - Lebanon
  - Brookfield
- The first mortgage must originate with a bank, mortgage company or credit union.
- Property to be purchased must meet (or be able to meet after rehab) Housing Quality Standards
- Ineligible Properties
  - Single wide manufactured homes are not eligible for purchase
  - Homes in Manufactured Home Parks
  - Homes on rented land
  - Homes in severe disrepair,
  - Homes that do not qualify for mortgages
  - Tax auction properties
  - Mixed use properties
  - Commercially zoned properties
  - Farms or homes on farmland
  - Homes within 100 year floodplain (zone A)

### Program will not

- Provide grants on cash only homes, fixer uppers, construction conversion mortgages or any new build projects.



# DOWN PAYMENT ASSISTANCE STEP BY STEP GUIDE

