

THE CITY OF PALM BAY'S DOWN PAYMENT ASSISTANCE PROGRAM

PROGRAM ADMINISTRATION

Community Housing Initiative, Inc. (C.H.I.) is administering the City of Palm Bay's Down Payment Assistance program. C.H.I. is a certified Community Housing Development Organization, and a 501(c) (3), charitable non-profit housing provider that has been assisting clients since 1992.

C.H.I. is dedicated to assisting in the provision of affordable housing to the residents of Palm Bay. C.H.I. is also dedicated to meeting and/or exceeding the requirements of the city as well as, the statutory and rule requirements of the State Housing Initiatives Partnership (SHIP) and the Home Investment Partnership (HOME) programs both of which are providing the funding for this program. C.H.I. is committed to assisting the residents of the City of Palm Bay in attaining the American dream of home ownership.



COMMUNITY HOUSING
I N I T I A T I V E

DOWN PAYMENT ASSISTANCE PROGRAM GUIDELINES:

Down Payment Assistance is available through the Home Investment Partnership (HOME) program and through the State Housing Initiatives Partnership (SHIP) program on a first come–first ready basis. Assistance is contingent upon the availability of funds. Funds will be available to first-time homebuyers within Palm Bay with total income and assets for all household members not exceeding the following limits based upon household size:

FY 2007-2008 Income Limits Adjusted to Household Size						
HH Size	1	2	3	4	5	6
Income Limit	\$51,480	\$58,800	\$66,240	\$73,560	\$79,440	\$85,320

- ◆ Assistance is secured by a thirty (30) year zero-interest loan, forgiven after the thirty (30) year period. As long as the applicant is the primary residence and maintains the title to the property, no payment is owed on the loan. In the event of default; where the property is no longer the homeowner's principle residence or the home is sold BEFORE the thirty year lien is over, the FULL AMOUNT of the loan, along with an equity share of the difference between the sale price and the initial cost of the home at the time of assistance was provided is owed back to the City of Palm Bay.

For example:

Cost of Home:	\$100,000.00
Down Payment/closing Costs assistance:	\$ 40,000.00
% City of PB Assisted this Household:	40% (\$40,000/\$100,000)
New Sale Amount	\$200,000.00
Amount Owed to Palm Bay:	\$ 80,000.00

Although you not required to pay on the down payment loan, you are encouraged to lower the amount of participation and equity share by paying on your loan.

For example:	Cost of Home:	\$100,000.00
	Down Payment/Closing Costs:	\$ 40,000.00
	Loan Payback	\$ 10,000.00
	% City of PB Assisted this household:	30%
	New Sale Amount:	\$200,000.00
	Amount Owed	\$ 60,000.00

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PARTICIPATION REQUIREMENTS:

If you are interested in participating in the City of Palm Bay's Down Payment Assistance Program, you must meet the following eligibility requirements:

UNIT ELIGIBILITY

- ◆ The home must be located within the city limits of Palm Bay.
- ◆ The home may be an existing or new construction. The assistance may not be used to purchase a mobile home. No home may have a swimming pool or similar amenity, unless purchasing a condo/townhouse.
- ◆ For existing housing only, C.H.I. will conduct an inspection to identify code-related repairs.
- ◆ For existing housing only, the purchase price (including repairs) must not exceed **\$246,033.00** under the State Housing Initiatives Partnership (SHIP) program guidelines and under the HOME Investment Partnership (HOME) program guidelines, it is **\$221,350.00**.
- ◆ For new construction, the purchase price (including the lot) is the same. The purchase price may not exceed ninety (90%) of the median purchase price for new and existing homes in the area where the home is to be purchased under the SHIP and HOME guidelines.

HOMEBUYER ELIGIBILITY

- ◆ Only first-time homebuyers are eligible for this assistance program. (The applicant must not own or have any ownership interest in a home in the previous three years).
- ◆ Applicant must be credit worthy, i.e., no bankruptcies, judgements, repossessions, or charge offs.

- ◆ The applicant must have the ability to secure first mortgage financing: Conventional, FHA, VA are all acceptable.
- ◆ The applicant must receive home-buyer education: Contact C.H.I. for the next scheduled class (321) 253-0053.
- ◆ If the applicant has more than **\$2,000** in assets, the City of Palm Bay may request the applicant to utilize more of their own funds.
- ◆ Total income and assets must not exceed the previously stated limits.
- ◆ Applicants must make a minimum **GOOD FAITH CONTRIBUTION**, based upon their income bracket:

Income Limits	Minimum Contribution
Very Low (50% or Less)	\$750
Low (51% to 80%)	\$1,250
Moderate (81% to 120%)	\$2,000

- ◆ Out of pocket expenses paid before closing are considered as part of the applicant's contribution (i.e., appraisal fees, credit reports, deposits, homeowner insurance premium, etc.)
- ◆ At closing, the minimum contribution must be satisfied on the settlement statement.
- ◆ The lender may require an additional contribution.

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MAXIMUM ASSISTANCE LEVELS

- ◆ Applicants are eligible for the following maximum assistance levels based upon HUD's 2008 income limits, adjusted for family size:

Income Limits	Maximum Assistance
Very Low (50% or Less)	\$50,000
Low (51% to 80%)	\$50,000
Moderate (81% - 120%)	\$40,000

- ◆ Additional assistance (for existing construction only): **\$10,000** to be used for repairs.
- ◆ SHIP funds – homes built prior to 1978. HOME funds – homes built in 1978 or later.

COUNSELING SERVICES

C.H.I. offers a variety of first-time homebuyer counseling seminars and individual counseling services. The first-time homebuyer education seminar outline is as follows:

- I. Introduction
- II. Why Homeownership
- III. Credit
- IV. Budgeting
- V. Lender Documents
- VI. Choosing a Home
- VII. The Appraisal
- VIII. The Closing Process
- IX. Foreclosure Prevention
- X. The Fair Housing Act
- XI. Questions & Answers

FAIR HOUSING ACT

The Fair Housing Act prohibits discrimination in housing because of:

- ◆ Race or Color
- ◆ National Origin
- ◆ Religion
- ◆ Gender
- ◆ Familial Status – including children under the age of 18 living with their parents or legal custodians; pregnant women; and people securing custody of children under 18; or the handicapped.

We look forward to working with you as a first-time homebuyer and will assist in any way possible. If you have any questions regarding this or any other Housing Program offered through the City of Palm Bay's Housing & Neighborhood Development Office, or would like to obtain and submit an application, please call:

C.H.I.
Ph: (321) 253-0053
Fax: (321) 253-1575