

### PROGRAM

### Idaho Housing and Finance Association (IHFA) HOME DOWN PAYMENT/CLOSING COST (DPCC) ASSISTANCE PROGRAM

#### Program Description

The Idaho Housing and Finance Association HOME program provides a standard down payment/closing cost assistance program that allows assistance of a minimum of \$1,000 and a maximum of \$20,000 that may be in combination with an Idaho Housing and Finance Association Single Family Mortgage.

#### Eligible Activities

Down payment assistance  
Closing cost(s) assistance  
Individual Development Account (IDA) Match

#### Eligibility

- ✓ First Time Homebuyer.<sup>1</sup>
- ✓ Pre-approval of deferred loan through the online process.
- ✓ Homebuyer education course, “*Finally Home!*” must be completed prior to down payment assistance request. The class must be completed by all parties on the Note.
- ✓ Income at or below 80% of AMI to qualify for the HOME Program.
- ✓ Must qualify under standard lending program.
- ✓ Loan must be sold to IHFA and meet all residential lending standards.
- ✓ No cash to borrower at closing.
- ✓ Must occupy the home within 14 days of loan closing
- ✓ Non-retirement liquid assets in excess of \$5,000 must be used prior to the disbursement of any HOME dollars. For the Elderly, non-retirement assets in excess of \$10,000 must be used prior to the disbursement of any HOME dollars.
- ✓ Properties must be vacant or owner-occupied, no rental units.
- ✓ If acquisition only, IHFA requires all properties assisted with HOME funds to meet HUD’s Housing Quality Standards (HQS), to document this, HUD has provided IHFA with a waiver to allow FHA appraisals including Valuation Condition (VC) sheets, on all down payment assistance programs. IHFA will allow USDA –Rural Development to provide IHFA with their inspection form 1924A in lieu of the Valuation Conditions.
- ✓ Lead-based paint requirements apply.
- ✓ Uniform Relocation Act (URA) applies.

#### Eligible applicants/sponsors

**Borrower must be first time homebuyer. Must be a resident of Idaho Residency Status must be verified by the approved Lender/Sponsor, - eighteen18 years of age or older, individuals and/or families with Household incomes of less than 80% of AMI.**

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<sup>1</sup> Exception to First Time Homebuyer Ruling: Can be a displaced homemaker with custody of children or a single parent with custody of children.

## Chapter 2:

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### **Lenders/Sponsors - must be approved by Idaho Housing and Finance Association**

#### **Assistance Levels**

Minimum \$1,000                      Maximum      \$20,000

#### **Assistance Level**

Assistance in based on need and the following income charts.

60% and Below AMI	61 to 70% of AMI	71 to 75% of AMI	76 to 80% of AMI
Minimum \$1,000	Minimum \$1,000	Minimum \$1,000	Minimum \$1,000
Maximum \$20,000	Maximum \$15,000	Maximum \$7,500	Maximum \$5,000

#### **Assets**

The need and underwriting will be determined by the Sponsor. Non Retirement Assets above \$5,000 or Elderly Individuals with Non Retirement assets above \$10,000 must be utilized to reduce the subsidy assistance.

#### **Property Types**

1-4 Single Family Units

Condominium unit

Manufactured Home titled as real estate and meeting HUD standards 24 CFR part 3280

#### **Value Limits**

HUD FHA Section 203(b) Limits for all jurisdictions.

#### **Eligible Forms of Subsidy**

Deferred Payment Loan (forgivable).

Interest:              Zero Percent (0%)

#### **Repayment Obligation**

For Deferred loans of \$15,000 or more, the term of the Recapture will be **ten (10) years**; If the Property is sold, or an event of default occurs during the first five (5) years the full amount of the Deferred loan will be recaptured; thereafter, the Outstanding Balance is determined according to the following schedule:

The Outstanding Balance shall be reduced by one-fifth (1/5) for each full year from year sixth (6) through ten (10) that the Owner both owns the Property and resides in the Property as Owner's principal place of residence and makes all payments due on loans secured by prior lien or liens on the Property.

For Deferred loans of \$14,999 or less, the term of the Recapture will be five (5) years; if the Property is sold, or an event of default occurs during the first five (5) years of ownership, the Outstanding Balance of the Funds shall be immediately due and payable to IHFA. The outstanding balance is determined according to the following schedule:

The Outstanding Balance shall be reduced by one fifth (1/5) for each full year that the Owner both owns the Property and resides in the Property as Owner's principal place of residence and make any payments due on loans secured by prior liens on the Property.

If the Property is sold, the Owner shall not be required to repay more than the proceeds (after deducting closing costs as approved by IHFA) from the sale of the Property less the repayment of any loans secured by liens prior to the Deed of Trust. If Owner owns the Property and the Property has been Owner's principal residence for the complete period of affordability, no funds need be repaid.

### **Subordination**

IHFA will allow subordination of the HOME assistance in the case of a refinance to lower the borrower's current interest rate. Under no circumstances will IHFA subordinate when the borrower is taking cash out or paying off debts. The request for subordination must be submitted to IHFA for approval prior to loan closing.