



## *Neighborhood Stabilization Program Funding*

The First Home Loan Program is a revolving loan fund that provides assistance for first time home buyers. The fund is capitalized by grants from public and private sources. All assistance is in the form of loans. Loans made by the fund are secured by a second mortgage on the homes purchased.

### **TERMS**

- <     **Amount**             \$5,000 -\$25,000.00
- <     **Form**                 Second mortgage loan.
- Payments**         No payment of principal or interest up to **30-40 years. Conventional or FHA fix rate products only!**
- <     **Shared Equity**     In addition to repayment of principal, the borrower must repay a percentage of profit (calculated at time of repayment) equal to the percentage of the down payment assistance to the original purchase price.
- <     **Cash Required**     Three percent (3%) or closing costs. A minimum of three percent half of which can come from another source. Borrowers are required to use available funds and borrowing power in addition to the three percent minimum. The monthly payment on the first mortgage will be no less than 28% and no more then 33% of monthly gross income.

### QUALIFICATIONS

#### Income limits as of March 31, 2009.

Family Size	Maximum Income	Family Size	Maximum Income
1	\$58,800	5	\$90,720
2	\$67,200	6	\$97,440
3	\$75,600	7	\$104,160
4	\$84,000	8	\$110,880

2.     **Do not need to be a first time homebuyer.**
3.     **Residency Requirement:** The buyer has lived or worked in Clark County, WA one year prior to closing.
4.     **Property Requirements:** Property must be bank owned and can meet the definitions below:  
Foreclosed – a property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.  
Repairs – property with minimal repairs (\$10,000) can be considered – this will be rolled into the silent second loan as part of the total loan. Maximum loan amount can't exceed \$25,000.
- 5..    **Education:** The buyer must receive 8 hours of home buyer education.
  - a..     Three (3) hours of one-on-one homebuyer and financial counseling by a HUD approved counseling agency.
  - b.     Completion of a one (1) hour orientation for this particular program.
  - c.     A five (5) hour "certified" homebuyer education class certified by the Washington State Housing Finance Commission.
  - d.     Attend a post purchase class within one year of closing on your property.

NOTE: 4. a, b, AND C. ARE REQUIRED PRIOR TO SIGNING A PURCHASE AND SALE AGREEMENT.

**FEES:**

\$-0- Application Fee  
\$400.00 Loan Processing Fee, paid at closing (Seller's contribution at closing)  
\$395.00 Title, Escrow & Recording fees paid at closing.

**RESTRICTIONS**

**Appraisal:** Property must have an appraisal and full home inspection prior to property purchase. Property must be purchased at 1% below appraised value. City staff will work with realtors and banks regarding this requirement. Appraisal and Home Inspection Reports must be furnished and approved by the funding jurisdiction.

**Occupancy:** The borrower must maintain the home as their principal residence and the home may not be rented at any time.

**Shared Equity** In lieu of payment of principal and interest for the term of the loan the borrower will owe principal and a portion of any equity gained during the time buyer owns the property and is capped at 10%.

**Resale:** Loans are not assumable. Upon sale of a home or refinance, the First Home Loan must be repaid together including shared equity amounts that may apply.

**APPLICATIONS**

Applications are accepted by Columbia Non Profit Housing (CNPH). Participating lenders will supply the application form. Packets including all other necessary forms are available at the Orientation Session. **ATTENDANCE AT AN ORIENTATION SESSION PRIOR TO SIGNING A PURCHASE AND SALE AGREEMENT IS REQUIRED!**

**APPLICATION PROCESS**

1. **Preparation:** Complete required classes and budget counseling session.
2. **Fund Reservation:** **THERE IS NO WAIT LIST FOR THIS PROGRAM!!!**
3. **Select:** A Realtor and begin a search for a home:
4. **Contact CNPH:** upon finding a property contact CNPH about the required amendments that will need to be completed upon writing a purchase and sale agreement. There may be some additional forms required by the individual lenders or banks who own the properties.
5. **Arrange for home inspections.** All properties must have a full home inspection. Any deficiencies identified will be required to be repaired or corrected prior to closing. Funds from your loan will be able to be used to correct those deficiencies and rolled into the loan. Maximum loan amount cannot exceed \$25,000. Home older than 1978 must have a visual lead assessment. This will be done by CNPH as part off their HQS inspection. If abatement or stabilization is required, it will need to be done and re-inspected prior to closing.

**THERE IS NO GUARANTEE THIS PROGRAM WILL LAST LONGER THEN ONE YEAR!!!**

***Questions or Further Information Contact:***

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