

CITY OF LOWELL
First Time Homebuyer Down Payment Assistance Program

Coordinated by the Merrimack Valley Housing Partnership (MVHP)

The City of Lowell has a federally funded HOME program for down payment and closing cost assistance for first time homebuyers. This is a no-interest loan program. The loan is due upon sale, transfer of the deed, or refinancing.

ELIGIBILITY REQUIREMENTS

- First time homebuyers purchasing in Lowell
- (Veterans do not need be 1st time home buyers but cannot currently own a home.)
- Household income must be within established limits (see below).
- All members of the household must have a valid social security number.
- Total Debt Ratio cannot be more than 45% of household income.
- Buyers need to have a minimum of 1.5% of the purchase price to be used toward the down payment.
- There is a \$310.00 mortgage recording fee.
- The maximum down payment allowed is 10% (if required by lender).
- Household liquid assets, excluding retirement funds, cannot exceed \$75,000.

INCOME LIMITS

<u>Family Size</u>	<u>Maximum Annual Household Income</u>
1	\$68,500
2	\$78,250
3	\$88,050
4	\$97,800
5	\$105,650
6	\$113,450
7	\$121,300
8	\$129,100

THE AMOUNT OF ASSISTANCE IS BASED ON NEED. The maximum is \$11,800.

To estimate the amount of assistance, the borrower's lender provides the following:

- 1. Estimated purchase price**
- 2. Estimated closing costs & escrows**
- 3. Lender required down payment**
- 4. Lender required reserves (money remaining after closing.)**

The amount of assistance is determined once a Purchase & Sale Agreement is executed and a Loan Application has been submitted to the mortgage lender. The first \$15,000 of the buyer's liquid assets are excluded when calculating the amount of assistance that the program will provide.

PROCEDURE TO APPLY

**Participants must complete a Pre-Application Interview before applying for assistance.
Call the MVHP office to schedule an appointment. 978-459-8490
*This should be done prior to making an offer.***

The Homebuyer and the Lender prepare all the necessary documents and submit them to the Merrimack Valley Housing Partnership (MVHP). After reviewing the applications for eligibility and completeness, the MVHP prepares the legal documents and submits the package to Lowell's Department of Planning & Development (DPD). The City will inspect the property prior to approval. The city requires three weeks to review and approve a complete application.

The Insurance Binder prior to closing must have The City of Lowell listed on the policy

The mortgagee clause should be on the insurance binder and read as follows:

City of Lowell - Department of Planning & Development as "mortgagee", 50 Arcand Drive, Lowell, MA 01852.

Lenders should send complete packages to the Merrimack Valley Housing Partnership.

By UPS, FedEx, DHL, etc.

MVHP
67 Middle Street, Suite 501
Lowell, MA 01852

By Regular Mail

MVHP
P.O. Box 1042
Lowell, MA 01853



REQUIRED DOCUMENTS (Please submit copies and not originals.)

The buyer provides:

1. City of Lowell First Time Homebuyer Application - available at M.V.H.P (**Original**)
2. *Project Genesis* home buyer training certificate (or equivalent) plus Landlord Training Certificate if buying a multi-family property
3. **Signed copies** of federal tax returns for the past 3 years. Request your tax summary sheet or letter of non-filing for the past 3 years call the IRS at **1-800-829-1040 or online.**
4. Two months consecutive pay stubs. If self-employed provide Year-to-Date Profit & Loss Statement from accountant. **Income for all family members must be counted and verified. Child Support Customer Service Bureau 1-800-332-2733.** Ask for "Information Letter".
5. Affidavit of No Income (if needed) - (**Original**)
6. Notice to Seller - (**Original**)
7. Home Inspection Report – (**Copy**)
8. W-9 Form - (**Original**)
9. Appendix C- (**Original**)
10. Listing Sheet (from Realtor) and **your** Realtors and Lenders name, phone, & fax number
11. Purchase and Sale Agreement - Signed
12. Property Transfer Notification Certification – from your realtor
13. City Required Lead Notification – Buyer signature only
14. Affidavit of Liquid Asset Certification (**Original**) & **Asset Documentation - 3 months**

The lender provides:

1. Bank V.O.E (Verification of Employment)
2. Property Appraisal - include current deed and flood certification
3. Bank Credit Report
4. Underwriter's Worksheet, or Form 1008, or Macaw Sheet, or Transmittal Summary
5. Mortgage Application
6. Mortgage Commitment Letter
7. Loan Estimate
8. Name, Address, Phone # and Fax of Attorney and Closing Date

HOME INSPECTIONS

Applications will not be accepted if there are MAJOR MECHANICAL PROBLEMS in a house unless the SELLER PLANS TO RECTIFY THEM prior to closing. All deficiencies noted on the inspection will need to be corrected prior to closing. Property cannot have chipping or peeling paint, or asbestos on pipes.

