

About The Program

The LDFC provides a **no-interest loan for 2.5%** of the purchase price based on a **5% down payment**. It provides a loan for **1.5% of the purchase price** based on a **3% down payment**.

Eligibility Requirements

- Family Household income cannot exceed the limit of **\$159,300**
- Buyers must be **first-time homebuyers**
- Property must be in **Lowell, MA**
- Buyers must complete a **First-time Homebuyer training program**
- Property must be a condo, single or two-family house.

Procedure to Apply

You must have a fully executed Purchase and Sale agreement. Notify your lender that you want to apply for down payment assistance at the time you apply for the mortgage. Your lender will prepare an extra copy of the below documents to be submitted to Merrimack Valley Housing Partnership.

Required Documents

- | | |
|------------------------------------|---|
| 1. Underwriter's Worksheet * | 7. Property Appraisal * |
| 2. Loan Application * | 8. Commitment Letter * |
| 3. Loan Estimate * | 9. First-Time Homebuyer Certificate |
| 4. 3 Years of Signed Tax Returns | 10. Credit Report * |
| 5. Employment Verification (VOE) * | 11. Landlord Certificate (If buying a two-family home.) |
| 6. Purchase & Sale Agreement | * <i>May be submitted by your lender</i> |

Total Debt Ratio

Total debt ratio cannot exceed **42%**. The LDFC has limited funds and therefore, **reserves the right to deny an application if it feels that the risk factor is too high**.

Applications are reviewed on a case-by-case basis. Examples of factors which may affect a decision include but are not limited to; lack of sufficient cash funds available, an excessive amount of cash funds available, excessive debt, excessive payment shock from renting to owning, if a full-time job per person on an application is not sufficient to meet the mortgage payment, etc.

The maximum amount of assistance is **\$7,500!**

Application Deadline

The deadline for submitting required documents to the Merrimack Valley Housing Partnership is the **second Wednesday of each month**. **Closings must take place at the end of the month**. *No exceptions will be made to this policy.*

Payback Terms

Payback Terms: **20%** of the loan is paid back to LDFC in **five annual installments** beginning on the **5th anniversary of the loan**. The entire loan is due upon sale, transfer or refinancing. There is a **one-time \$100.00 processing fee** added to the 1st payment. There is a **\$205.00 mortgage recording fee**.

MassHousing Mortgage Payback Terms

If using a MassHousing Mortgage, loan payments must be made in **60 monthly payments rather than annually**. This payment must be included in the debt ratio.

NOTE: FHA MORTGAGES CANNOT BE USED WITH THIS PROGRAM.

Mortgage Clause

The mortgage clause must be listed on the insurance binder and read as follows:

Lowell Financial Corporation Development Corporation
660 Suffolk St, Suite 120
Lowell, MA 01854-3636

Sending The Package

Lenders should send complete packages to Merrimack Valley Housing Partnership. **FAXED FILES ARE NOT ACCEPTED**

67 Middle Street
Suite 500
Lowell, MA 01852

Further Questions / Contact

Phone: (978) 459-8490

Office Hours:

Email: mvhp@mvhp.org

Monday - Friday

Website: www.mvhp.org

8 AM - 4 PM

