



## Down Payment Assistance

FHR homebuyer assistance programs are designed to educate and counsel low to moderate income homebuyers with the purchase of an affordable home

### **ASSISTANCE AVAILABLE- 3.5% of purchase price**

Homes may be located anywhere in Pima County and the City of Tucson

**Attendance at FHR’s Homebuyer Education Class is required PRIOR to signing a purchase contract**

**The purchase contract (or addendum) must contain the language:  
“Sale contingent upon City of Tucson/Pima County environmental clearance”**

**Assistance is only available to households whose incomes are at or below the following limits**

<b>*Low-Income = 2018 Maximum Household Income Limits (80% of Median Income)</b>							
1 Person	\$33,950	3 Persons	\$43,650	5 Persons	\$52,400	7 Persons	\$60,150
2 Persons	\$38,800	4 Persons	\$48,500	6 Persons	\$56,300	8 Persons	\$64,050
Purchase Price Limits:				Existing	\$160,000	New	\$228,000

### **Application Process**

- Attend FHR Homebuyer Education Class. Call 318-0993 to sign-up. Schedule may be viewed at [www.familyhousingresources.com](http://www.familyhousingresources.com).
- Make an appointment with an FHR Housing Counselor for eligibility review prior to signing a purchase contract
- Lender to forward 1008, 1003, Loan Estimate, credit report and purchase contract as soon as purchase contract is signed
- See instructions for home inspection on next pages
- FHR requires a minimum of 30 days to process the assistance AFTER all information has been received
- Contact FHR if you need any accommodations due to a disability
- Funds are limited

Funding provided by the Department of Housing and Urban Development through contracts with the City of Tucson and Pima County. (12/11/18)



## Down Payment Assistance Program Guidelines

- ✓ Homebuyers and their spouses/partners must attend FHR's Homebuyer Education Class
- ✓ Income used to determine eligibility for the assistance is household income. This income includes the income of all adults who will live in the newly acquired home
- ✓ The homebuyer is required to contribute at least \$1,000 (verified from their own funds) Funds used to pay appraisal, inspections, credit report and termite inspection may be used
- ✓ The homebuyers liquid assets may not exceed \$10,000 after contribution to their home purchase
- ✓ The homebuyer must have at least one month's mortgage payment as reserves at closing
- ✓ The homebuyer must not owe any amounts to the City of Tucson for Section 8 or Public Housing
- ✓ Housing ratio minimum 18% maximum 31% (up to 35% considered with compensating factors); Debt ratio maximum 45%
- ✓ The interest rate on the loan must reflect "par", market rate
- ✓ Loan fee limits may include 1% origination and up to \$1,000 in lender fees
- ✓ Lien on the assistance is forgivable in 5 years. If home purchased is sold or transferred during first 5 years, DPA principal amount loaned plus 2% simple interest is due
- ✓ No cash back can be received by the buyer at closing even if closing costs or deposits were estimated incorrectly
- ✓ The liens will remain in second position. Subordinations require approval by the lien holder (City or County)
- ✓ The assistance may have restrictions with using another layer of down payment assistance. Homebuyer Solutions program may not be combined.
- ✓ The home to be purchased must be owner-occupied or vacant
- ✓ The assisted homebuyer must occupy the home as their primary residence
- ✓ The purchase price must not be higher than the appraised value
- ✓ The borrower must arrange for a home inspection to be done by one of the inspection companies listed on the next page. The borrower is responsible for the cost of the inspection. The home to be purchased must meet standards identified by HUD and Local Code. Items identified by the inspector as not meeting these standards must be repaired prior to closing and provision of homebuyer assistance
- ✓ The purchase contract (or addendum) must contain the language **"Sale contingent upon City of Tucson/Pima County environmental clearance"**.
- ✓ Lenders are responsible for obtaining investor approval of the down payment assistance early on in the processing in order to prevent delay at closing
- ✓ Manufactured homes acceptable
- ✓ Other terms and conditions may apply

## HOME INSPECTION REQUIREMENTS

The homebuyer is required to obtain an inspection from the following list of home inspection companies. The homebuyer is responsible for the cost. These inspectors have been certified by the City/County to complete a Housing Quality Standard (HQS) inspection in addition to the regular home inspection. The HQS inspection is required by the funding source. The

property must “PASS” all criteria of the HQS inspection in order to be eligible for down payment assistance. A Re-inspection will be required if the property does not “PASS”

### **Inspection Companies**

**Inside Out** - April Gillespie 520-721-9575 [office@insideoutaz.com](mailto:office@insideoutaz.com)

\$250 ASHI with HUD HQS report (\$75 Re-Inspection)

\$ .10 sq ft per square foot over 1200 square feet

**Peak Home Inspections, LLC** - Carl Lewis 520-403-0689 [linspect@cox.net](mailto:linspect@cox.net)

\$245 ASHI with HUD HQS report (\$100 Re-Inspection)

\$ .10 sq ft per square foot over 1200 square feet

**1<sup>st</sup> AZ Home Inspections, LLC** – Larry Ross 520-780-0340 [lstazhomeinspection@gmail.com](mailto:lstazhomeinspection@gmail.com)

\$250 ASHI with HUD HQS report (\$50 Re-Inspection)

\$.10 sq ft per square foot over 1200 square feet

## **Eligibility Documents**

Documents needed to determine eligibility of Down Payment Assistance

- ☀ **Most recent and concurrent pay stubs (4 pay stubs if paid every other week or semi-monthly and 8 pay stubs if paid weekly)** for everyone in the household 18 and over, even if they are not going to be on the loan.
- ☀ **Proof of Income** for any other income in the household which may include child support (judgment or print out from courts), social security award letters, unemployment, workman’s comp, etc.)
- ☀ **1 months most recent statements** for all accounts – checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance with cash value prior to death, lump-sum receipts or settlements.
- ☀ **Picture Id** for everyone living in the home who is 18 yrs old and over.
- ☀ **Birth Certificates** for all household members under 18. If you do not have Birth Certificates you can order them thru the office of Vital Records at the Health Department in your County
- ☀ **Social Security Cards** for everyone in the household. If you do not have a social security card you must apply for one at the Social Security Office.
- ☀ **Income Tax Returns for** the most recent year including W-2(s), 1099’s, 1098,s etc..  
Self-employed borrowers are required to bring the most recent 2 years of returns and 1099. If not available, call the IRS for Transcripts at 1-800-829-1040.
- ☀ **Credit Report.** Obtain a copy of your credit report from your lender or bring a recent one you have received. (FHR can obtain one for you for \$15.00 per person)
- ☀ **Household Budget.** Obtain a budget form from FHR to list your current income and expenses. First list your current expenses as a renter, then list what will change as a homeowner.