



# Paramount Development

## Polk County Homebuyer Down Payment Assistance

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### Program Overview

This Downpayment Assistance Program provides financial assistance to eligible **first-time homebuyers** to support the purchase of owner-occupied housing in Polk County, Iowa. The program is administered in compliance with the HUD HOME Investment Partnerships Program.

### Maximum Amount of Assistance

The maximum amount of downpayment assistance available to an eligible **first-time homebuyer** is **\$35,000**. All applicants must be fully underwritten using program-specific forms to determine the amount of assistance needed and allowable based on household circumstances and demonstrated financial need. **Most homebuyers will not receive the maximum assistance amount.** Paramount Development will conduct this underwriting and provide the lender with the maximum amount of assistance available to the buyer.

### Eligible Locations

Eligible properties must be located within **Polk County, Iowa**, and **outside of the city limits of Des Moines** (may seem odd but necessary to achieve points needed for award).

### Eligible Households

The recipient must be a **first-time homebuyer**, defined as any of the following:

**First-Time Homebuyer** An individual (and spouse, if applicable) who has not owned a home during the **three-year period** prior to the purchase of the assisted home.

**Displaced Homemaker** An individual who:

- Is an adult;
- Has not worked full-time, full-year in the labor force for a number of years, but during that time worked primarily without remuneration caring for the home and family; and
- Is unemployed or underemployed and experiencing difficulty obtaining or upgrading employment.

**Single Parent** An individual who:

- Is unmarried or legally separated from a spouse; and
- Has one or more minor children for whom the individual has custody or joint custody, or is pregnant.



## Income Eligibility

Household income may not exceed **80 percent** of the HOME income limits for the Des Moines–West Des Moines HUD Metro Fair Market Rent Area. Income eligibility is determined in accordance with the HUD Technical Guide for Determining Income and Allowances for the HOME Program (will likely be different than lender underwriting).

The following income limits apply based on total household size. All full-time household occupants must be included in the income determination.

Household Size	Maximum Gross Annual Income
1 Person	\$ 65,200
2 Person	\$ 74,500
3 Person	\$ 83,800
4 Person	\$ 93,100
5 Person	\$100,550
6 Person	\$108,000
7 Person	\$115,450
8 Person	\$122,900

## Homebuyer Education

All homebuyers must complete a homebuyer education course prior to receiving assistance. The program administrator will pay for this education course if the homebuyer successfully purchases a home.

The approved course is the 8-hour HOME, Inc. EHome Online Homebuyer course. After completion of the online course, the homebuyer will attend an in person 1-on-1 meeting to receive their certificate of completion.

A **certificate of completion** is required prior to closing.

## Eligible First Mortgage Requirements

The homebuyer's principal mortgage must meet **all** of the following requirements:

- Fully amortizing, **fixed-rate mortgage**
- Term of **not less than 15 years or more than 30 years**
- Interest rate not to exceed **Fannie Mae 90-day yield + 0.75%** or other acceptable method as defined by IFA.



## The following loan types and features are prohibited:

- Adjustable-rate or balloon mortgages
- Interest-only, negative amortization, or option payment loans
- Stated income, low-documentation, or no-documentation loans
- Loans with prepayment penalties

## Eligible Property Types

The assisted property must serve as the **homebuyer's principal residence** and may include:

- Single-family home (one unit)
- Two-unit property
  - If HOME funds are used to assist the purchase of one unit in a two-unit property, long-term affordability requirements apply **only to the assisted unit**
- Condominium unit
- Cooperative unit or unit in a mutual housing project, if recognized as homeownership under state law
- Manufactured home, provided that:
  - The home is permanently connected to required utilities; and
  - The home is located on land owned by the homebuyer

## Purchase Price Limits

The maximum allowable purchase price is:

- **\$252,000** for a single-unit home
- **\$322,000** for a two-unit home

## Affordability Period and Recapture

Downpayment assistance will be recorded as a **receding, forgivable second mortgage** against the property.

Affordability periods are as follows:

- **5 years** for assistance amount below \$25,000
- **10 years** for assistance amount between \$25,000 and \$35,000

No payments are required on this loan. **Recapture provisions apply** if the homebuyer ceases to occupy the property as their principal residence during the affordability period, this includes sale of the home or conversion to a rental. The program administrator will verify owner occupancy **annually** throughout the affordability period.

## Recapture Examples

- Sale during affordability period: Prorated recapture applies.
- Sale after affordability period: No recapture.
- Refinance with no cash out and continued occupancy: No recapture.
- Conversion to rental: Recapture applies.



## Radon Testing and Mitigation

All homes purchased with program assistance must undergo **radon testing**. If radon levels exceed recommended thresholds, **mitigation is required**. The costs of both radon testing and mitigation are **eligible program expenses** and will be paid by the program administrator in addition to downpayment assistance.

## Lead Paint Stabilization

A visual assessment for deteriorated paint will be conducted on all Pre-1978 homes, and additional evaluation will be performed as required. Where hazards are identified, paint stabilization will be completed using HUD-approved safe work practices. All lead-based paint stabilization must be completed by a qualified contractor. All costs associated with lead-based paint are eligible program costs that are paid by the administrator.

All lead paint stabilization work, clearance testing, and a final visual assessment must be successfully completed prior to closing.

## Flood Zones

No **portion** of the assisted property's lot may be located within any **designated flood zone**. The location of the improvements is not a consideration.

## Application for Assistance

The applicant will complete an online application for the program and supply required documentation in our Neighborly Online Application Portal.

[Paramount Development Participant Portal](#) or

[Paramount Development/Apply for Assistance](#)

The Neighborly Online Application Portal utilizes multiple layers of privacy protection for information and documentation. [Privacy Policy Here](#)

Documentation required to be uploaded with the application includes:

- Copies of Driver Licenses
- Copy of lender pre-approval
- 2 months documentation of check stubs and all other income sources

Applicants will be able to upload documentation as it is produced such as:

- Purchase Agreement
- Home Inspection Report
- Appraisal
- Radon Documentation
- Preliminary Settlement Statement



## Closing

Paramount Development will provide approved funding for closing.

