

## **Hope2Homes - Down Payment Assistance Program**

**Hope2Homes** - Down Payment Assistance Program aims to support eligible low- and moderate-income individuals or families in achieving homeownership by providing additional financial assistance for their down payment.

### **Features**

#### **1. Eligibility Criteria**

Applicant must be a first-time homebuyer or meet specified criteria for priority groups (e.g., veterans, individuals with disabilities, etc.).

Applicant must meet income eligibility requirements based on HUD's guidelines for low- to moderate-income households in the area.

Applicant must complete a homebuyer education course approved by the program.

#### **2. Funding Allocation**

The program will provide down payment assistance in the form of a silent second lien, which means the assistance is provided as a deferred payment loan secured by a second mortgage on the property.

The amount of assistance provided will be determined based on the applicant's financial need, up to a maximum percentage (20%) of the home's purchase price.

The assistance amount will be capped at a predetermined maximum limit (e.g., \$120k)

#### **3. Repayment Terms**

The down payment assistance loan will be interest-free.

-Repayment of the assistance loan will be deferred until the borrower sells, transfers, refinances, or pays off the first mortgage on the property.

-Upon triggering events, the borrower will repay the assistance loan, including any accrued interest, within a specified timeframe (default, resale, etc.)

-If the borrower continues to occupy the property as their primary residence and meets all loan terms, the assistance loan may be forgiven after the end of the repayment term

240 months/20 years.

#### **4. Loan Servicing and Administration**

-The program will partner with a designated loan servicer to manage the administration of the down payment assistance loans.

-Borrowers will receive regular statements and notifications regarding their assistance loan status and repayment obligations.

-The program will establish procedures for monitoring compliance with loan terms and providing assistance or counseling to borrowers as needed.

#### **5. Application and Selection Process**

-Interested individuals will submit an application for the down payment assistance program, including documentation of income, assets, and eligibility criteria.

-Applications will be reviewed and prioritized based on established criteria, such as income level, household size, creditworthiness, and readiness for homeownership.

-Approved applicants will receive notification of their assistance award and instructions for proceeding with the home purchase process.

#### **6. Partnerships and Outreach**

-The program will collaborate with local housing agencies, real estate professionals, lenders, and community organizations to promote awareness of the down payment assistance program and reach eligible individuals.

-Outreach efforts will target underserved communities and populations to ensure equitable access to homeownership opportunities.

**Hope2 Homes - Down Payment Assistance Program, aims to empower individuals and families to overcome financial barriers to homeownership and build stronger, more stable communities.**