



City of Lorain
DOWN PAYMENT
Assistance Program





City of Lorain

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Eligible homebuyers can receive down payment assistance in the amount of 17% of total transaction. Total transaction calculates as purchase price plus 5% of purchase price for closing costs. Homebuyer will be responsible for a minimum of 3% of total transaction contribution towards the purchase. The assistance is provided in the form of a deferred, subordinate loans, up to \$17,000, which are forgiven at the rate of 20% per year, over a five-year period, so long as buyer maintains the home as their primary residence, and no transfer is made in ownership of the property, whether voluntary or not.

MAXIMUM PURCHASE PRICE LIMIT

- Purchase price may not exceed \$85,000.

ELIGIBLE HOUSEHOLDS

- Homebuyers may not have owned a home in the past 3 years.
- Homebuyers must occupy the dwelling as their primary residence.
- Homebuyers total household income cannot exceed the stated income limits and they must be current on all taxes.
- Loan to Value (LTV) of first mortgage may not exceed 80%.
- Housing Debt to Income (DTI) ratio may not exceed 28%.
- Overall DTI ratio may not exceed 43%.

If you are under contract and/or have a purchase agreement in place before the dated certificate of completion you are not eligible for this program.

ELIGIBLE HOMES

- Single family, owner-occupied
- Existing houses or new construction
- Property must be occupied by the seller, or vacant for at least 90 days prior to closing
- Property must pass inspection by the City of Lorain
- Code violations must be corrected before the buyer can take title or occupy the house

Please note that all terms are subject to change. For more information on the City of Lorain Down Payment Assistance Program, please contact Elizabeth Sanchez at 216.458.4663 x 2320 or ESanchez@nhsleveland.org.



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INCOME GUIDELINES

80% AMI LIMITS

HOUSEHOLD SIZE	INCOME LIMIT
1 person.....	\$38,050.00
2 person.....	\$43,450.00
3 person.....	\$48,900.00
4 person.....	\$54,300.00
5 person.....	\$58,650.00
6 person.....	\$63,000.00
7 person.....	\$67,350.00
8 person.....	\$71,700.00

Applicants who are employees, spouses, contractors, and immediate family members of public agencies and non-profit institutions that are recipients of Community Block Grant Funds (CDGB) will be asked to complete a form allowing NHS of Greater Cleveland to confirm with an applicant’s employer that their work does not create a conflict of interest.

APPLICATION PROCESS

1. Homebuyer must contact NHS to schedule Homebuyer Education by calling 216-205-4472. Questions may be emailed to ESanchez@nhsleveland.org
2. Homebuyer completes the NHS Homebuyer Education Classes, counseling, and receives their certificate prior to signing a purchase agreement. (Note: Each participant is evaluated on mortgage readiness)
3. Upon receiving certificate, Homebuyer will receive the Down Payment Assistance application and eligibility requirements
4. Homebuyer contacts eligible lender and receives pre-approval from lender.
5. Homebuyer contacts real estate agent, identifies property, and signs purchase agreement (Note: it is suggested that you request 60 days for title transfer)
6. Homebuyer submits application and all supporting documents (listed in DPA application) to NHS for review (Credit Report will be ordered at the expense of the Homebuyer)
7. NHS will issue a conditional commitment based on household income, debts and purchase price, contingent upon receiving first mortgage lender documents to verify appraised value, LTV, and DTI. At which time if DTI or LTV exceed maximum limits the application will be denied.
8. First mortgage lender submits required documents
9. Final approval issued if all conditions have been satisfied

QUESTIONS?
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