



News Flash

NC Housing dramatically increases income limits for downpayment assistance!!!

Do you have buyers that don't have funds for their downpayment? Who doesn't?! Help is here from the North Carolina Housing Finance Agency!

NCHFA has expanded down payment assistance ("DAP") to help your first time home buyers! They now offer \$8,000 DAP to all eligible borrowers within their maximum FirstHome income limits. Previously, borrowers had to be below 80% of average median income to take advantage of the \$8,000 DAP from NCHFA.

The income limits vary by county, and may be found on the following site: http://www.nchfa.com/Applications/IncomeSalesLender/MRB_ISL_Search.aspx

In Forsyth County, a one or two person household now has a maximum income limit of \$60,700. A family of three or more has a maximum household income limit of \$69,900.

To qualify for the DAP, the home buyer may not have owned a home in the prior three years, and must meet household income limits. The purchase price of the home must be \$225,000 or lower.

Here are the key details on the new, expanded \$8,000 DAP program:

- 0% interest, deferred 30 years, non-amortizing, 2nd mortgage (lien)
- minimum credit score of 650 required
- \$1,000 minimum personal investment from borrower (may not be gift funds)
- only FHA and VA loan types are eligible
- more competitive interest rates (see Rate Page at www.nchfa.com) – Currently 4.25% 30 year fixed with DAP
- can be used for downpayment, pre-pays, closing costs, and/or to reduce the 1st mortgage principal
- must be used in conjunction with their FirstHome loan program
- cash-flow worksheet required (Form 203 found on NCHFA website)
- year of construction must be 1978 or newer
- sales price limits up to \$225,000 (both new and existing properties)

The guidelines and income limits are different than those of the Forsyth County and City of Winston DAP programs. For additional information on City DAP, you may contact Roslyn Lash, 336-734-1306, RoslynL@cityofws.org
For Forsyth County and New Home DAP, contact Bianca Boykin Green, 336-703-2678, greenbl@forsyth.cc

More Great News from NCHFA

- * Rates are great! Loans not utilizing DAP are currently at a 30 year fixed rate of 3.25%!
- * Loans without DAP have a minimum credit score of 600.
- * The Mortgage Credit Certificate (MCC) from NCHFA can offer home buyers a tax credit of up to \$2,000 EVERY YEAR! (See last month's newsletter for more details).
- * NCHFA is helping struggling homeowners pay their mortgages through the Foreclosure Prevention Fund. See this site for additional details: <http://www.ncforeclosureprevention.gov/>
You may also access this site from the home page of NCHFA, <http://www.nchfa.com/>
- * NCHFA underwriting turn times are fast – 48 hours or less!

Check with your preferred mortgage lender for more details on NCHFA's programs.

Here's some additional Q&A regarding DAP (provided by Rob Rusczak, Manager, NCHFA Home Ownership Programs):

Q: Can I use the \$8,000 DAP with an MCC?

A: No. As was the case with our previous DAP programs, an MCC and FirstHome cannot be combined.

Q: Is this DAP forgivable?

A: No. The 2nd lien is a deferred loan, 0% interest, and non-amortizing (meaning no monthly payments on the DAP portion). Must be re-paid upon sale or refinance.

Q: Can you make an exception to the 650 credit score?

A: No. Only borrowers/co-borrowers with a minimum credit score of 650 or higher are eligible. No exceptions.

Q: Do you require a separate HUD-1 on the 2nd mortgage of \$8,000?

A: It is recommended that you follow RESPA guidelines on 2nd liens. A separate HUD-1 is recommended.

Q: Can the new \$8,000 DAP be combined with other down payment sources?

A: Yes. If the other sources are acceptable under FHA/VA loan guidelines, and are city or FHLB sources of funds, we will accept them also. Examples include HouseCharlotte, City of Raleigh, City of Durham, FHLB, etc. Contact our underwriters for details.

Q: Who do I call if I have other questions?

A: Call NCHFA at (919) 877-5700 and ask for a Home Ownership Group underwriter.

Now go sell some houses!!! ~ Jennifer W. Chrysson, NMLS ID 71577, Bank of America Home Loans