

## LOCAL HOUSING ASSISTANCE PROGRAM

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### **DOWNPAYMENT/CLOSING COSTS LOAN ADDITIONAL INFORMATION**

**Down Payment and/or Closing Cost Loans** may be awarded through the Indian River County Local Housing Assistance Program to help qualified **Very Low-Income, Low-Income, and Moderate-Income** households buy houses in Indian River County.

LHA-Program funds for Down Payment and/or Closing Cost Loans will be provided only for the following:

1. Buying a new home to be constructed; or
2. Buying an existing home constructed within the last calendar year (12 months); or
3. Buying an existing home which has been rehabilitated within the last calendar year (12 months); or
4. Buying an existing home that will be rehabilitated with SHIP funds in conjunction with down payment and closing cost loan **for very low, low and moderate income households only** (for the rehabilitation portion of the loan, applicant must submit two written estimates from licensed contractors).

Limited funds will be available to provide down payment and/or closing cost loans to help qualified households buy an existing home, which was not constructed or substantially rehabilitated within the last calendar year (12 months).

The down payment/closing cost loan will not serve as the primary financing for acquisition of a housing unit. The purchaser will still be required to finance the home purchase with a banking institution mortgage. Down payment/closing cost loans are provided in order to help homebuyers qualify for standard financing.

The county's program does not require an applicant to provide a minimum monetary contribution toward the down payment or closing costs. However, the financing institution providing the principal loan may require the applicant to provide a minimum monetary contribution for the home purchase. The lack of a minimum monetary contribution in the county's program does not exempt the applicant from a financing agency's minimum monetary contribution requirement.

### **MOBILE HOMES ARE NOT ELIGIBLE FOR SHIP FUNDS**

**Down Payment/Closing Cost Loan Process Flow Chart**

**#1~ APPLICANT** must contact a bank for a pre-qualification letter



**#2~ APPLICANT** must attend a Homebuyer's Educational Workshop



**#3~ APPLICANT** submits a completed application to the county



The county verifies all income and asset information



The county will send an eligibility letter to the applicant



The applicant will find a home & take the eligibility letter to the bank



Bank or applicant submits the commitment letter and loan documents to the county



The county's Loan Review Committee approves the loan



Loan closing

**Down Payment/Closing Cost Loans Summary Page**

**Purpose:** To assist eligible persons with the down payment and closing costs associated with the purchase of a home.

**Funding Source:** State Housing Initiatives Partnership (S.H.I.P.)

**Eligible Persons:**

- ▶ Very low-income persons
- ▶ Low-income persons
- ▶ Moderate-income persons

**Assistance:** The county provides up to:

- ▶ \$20,000.00 for very low income households
- ▶ \$15,000.00 for low income households
- ▶ \$10,000.00 for moderate income households

The loan will be secured by a promissory note and mortgage document in favor of Indian River County.

**Criteria:** Income Eligible Households: VLI (not to exceed 50% of the county's median income), LI (51-80% of the county's median income), MI (81-120% of the county's median income)

Property Qualification: Owner-Occupied

Housing Cost to Income Ratio: 20-30%

Total Debt to Income Ratio: not to exceed 41%

1<sup>st</sup> Mortgage Loan to Value Ratio: Must be 85% or higher for MI group only

Loan Period: Deferred payment loan

Interest Rate: 3% simple annual interest for VLI and LI households  
5% simple annual interest for MI households

Interest accumulated will be forgiven after 10 years occupancy for very low and low income households and after 20 years occupancy for moderate income households.

Repayment Terms: Repayment of the loan amount occurs upon sale or transfer of title, refinance with 'cash out' or, if the assisted unit is occupied by someone other than the original loan recipient.

## LOCAL HOUSING ASSISTANCE PROGRAM

### GENERAL REQUIREMENTS FOR ALL ASSISTANCE STRATEGIES

Persons participating in the Local Housing Assistance Program must meet the following requirements:

- 1) **Income Level:** A household's total annual gross income level must be classified as very low, low, or moderate income (please see income classification chart).
- 2) **Employment:** At least one of the household members must currently be employed (including having been continuously employed for the past 12 months), be a seasonal farm worker, or be a special needs person.
- 3) **Assets:** A household's total assets shall not exceed \$20,000.00.
- 4) **Credit Verification:** An applicant shall have a satisfactory credit rating for at least the previous one (1) year period.
- 5) **Home buyer Status:** For the down payment/closing costs loan assistance, no member of household shall have owned a home for at least three (3) years before being approved to receive down payment/closing cost assistance from the county.
- 6) **Purchase Price Limitation:** The purchase price for homes may not be higher than limit set by the Local Housing Assistance Program (please see income classification chart for the purchase price limit for new and existing homes).

**\*\*\*PLEASE NOTE \*\*\***

Applications are accepted during the last three weeks of July each year.

**A completed application form and all supporting documents must be submitted to the Community Development department in the County Administration Building located at 1801 27<sup>th</sup> Street, Vero Beach, Florida 32960 or other specified locations. Applications are reviewed and eligibility letters are prepared based on the first application completed, first application approved.**

**For more information call (772) 226-1594**

**LOCAL HOUSING ASSISTANCE PROGRAM**

**INDIAN RIVER COUNTY  
LOCAL HOUSING ASSISTANCE PLAN  
INCOME CLASSIFICATIONS**

HOUSEHOLD SIZE	ELIGIBLE TO RECEIVE UP TO <b>\$20,000.00</b> IN DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE IF TOTAL GROSS ANNUAL INCOME IS:	ELIGIBLE TO RECEIVE UP TO <b>\$15,000.00</b> IN DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE IF TOTAL GROSS ANNUAL INCOME IS:	ELIGIBLE TO RECEIVE UP TO <b>\$10,000.00</b> IN DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE IF TOTAL GROSS ANNUAL INCOME IS:
	VERY LOW- LESS THAN	LOW- LESS THAN	MODERATE- LESS THAN
<b>1 Person</b>	19,850	31,750	47,640
<b>2 Persons</b>	22,700	36,300	54,480
<b>3 Persons</b>	25,550	40,850	61,320
<b>4 Persons</b>	28,350	45,350	68,040
<b>5 Persons</b>	30,650	49,000	73,560
<b>6 Persons</b>	32,900	52,650	78,960
<b>7 Persons</b>	35,200	56,250	84,480
<b>8 Persons</b>	37,450	59,900	89,880

**Median Income = \$53,100.00**

**Source: Florida Housing Finance Agency**

**Maximum Purchase Price: New and Existing Home or Condo:  
\$258,607.00**

**Mobile Homes Are Not Eligible**

**IN ADDITION TO THE ABOVE DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE, EACH APPLICANT ALSO RECEIVES AN ADDITIONAL \$10,000.00 FOR IMPACT FEE LOAN OR REHABILITATION LOAN ASSISTANCE.**

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