

PROGRAM SUMMARY SHEET
Homebuyers Down-payment Assistance Program
for Thayer County Communities and surrounding areas
(A Program of the Thayer County Economic Development Alliance - TCEDA)
(summary revised January 10th, 2018)

Background: Thayer County Economic Development Alliance has available funds awarded through the Nebraska Affordable Housing Program to provide down payment assistance to Homebuyers for the purchase of **existing homes**, within Thayer County. This Program Summary Sheet will outline the requirements of the Program. The Southeast Nebraska Development District (SEND) has been contracted by TCEDA to conduct housing management of the program. For more information, please contact **Jim Warrelmann** at the address listed below.

Timeframe: This program is ongoing when funds are available through program income.

Guidelines: Homebuyers must meet the following qualifications to receive assistance.

- 1 **Maximum Down Payment Subsidy:** Up to 20% of the total project cost, not to exceed \$17,000, with the total purchase price, not to exceed \$117,000 for an existing home. (Gap financing, only as needed for affordable housing.)
- 2 **Required Buyer Down Payment:** Homebuyers must contribute at least 2% of the purchase price as a minimum. This can be accounted for in closing costs and verified by a completed HUD 1 form.
- 3 **Other Property Requirements:** The home to be purchased cannot be located in a 100-Year flood zone area. The home to be purchased must be located within an area zoned for residential or agricultural use. If located within the county, the acreage on which the home is located must meet zoning regulations and be limited to three (3) acres. The home to be purchased must pass a “**Housing Quality Standards**” (HQS) inspection and a “**Lead Paint Hazard Screening**”, (especially if the home was constructed prior to 1978), prior to closing. The home must be the **primary residence** of the new owner(s). Home purchase price may not exceed the applicable pre-stimulus 203(b) limit or 95 percent limit. The published limit identifies maximum amounts for 1-unit and the unadjusted median value. “HUD has used the greater of these two figures as their HOME homeownership value limit for existing housing in each area.” This level of cost is applicable to the purchase of **existing homes only**. See **Purchase Price or After-Rehab Value Limit for NAHTF, CDBG, and HOME at: <http://www.neded.org/community/grants/documentslibrary-a-forms#OtherDocs>**.

2017 203(b) limit for Thayer County is: \$135,000.00

- 4 **Applicant Income Qualifications:**
Anticipated Income: Gross Annual Household Income cannot exceed the following, based on 100% of the Area Median Income and Household size indicated for Thayer County.

2017 100% INCOME LIMITS for the HOP in THAYER County and Communities:

1 PERSON: \$43,875	5 PERSONS: \$67,687
2 PERSONS: \$50,125	6 PERSONS: \$72,687
3 PERSONS: \$56,375	7 PERSONS: \$77,687
4 PERSONS: \$62,625	8 PERSONS: \$82,687

Eligibility determinations are based on anticipated income within the limits above. Copies of at least 2-current Wage statements, interest statements, unemployment compensation statements, and certification of any other forms of income verifications necessary will be required. (Applicant will also be required to furnish a copy of the latest Federal Income Tax Return.)

- 5 **Applicant Needs Primary/Lead Lender:** The applicant(s) are required to have a primary/lead lender finance the remaining balance of the home purchase. The HOP assistance will be a “conditional deferred loan”, as a second mortgage. Therefore, the applicants must apply and secure financing from a financial institution of their choosing for a first mortgage. Owner Financed Properties are not eligible. Land contracts will not be considered. Please contact Jim Warrelmann at the address listed below for information on locating non-standard financing.



6 Minor Rehabilitation: TCEDA may provide funds to complete minor repair and/or rehabilitation work in the form of a “conditional grant” to meet Nebraska Department of Economic Development (DED Rehabilitation Standards). The maximum amount of these grants will be \$10,000 per home. Any and all work to be completed must meet the DED rehabilitation Standards. Additional rehabilitation funds may also be secured through the USDA RD Section 502 or 504 programs. TCEDA reserves the right to deny assistance in the event that the rehabilitation work required to bring the home up to DED Housing Rehabilitation Standards exceeds the maximum allowable grant amount of \$10,000 and/or the home cannot be brought up to the Standards. These grants may be \$0 to \$10,000 depending on the needs of the home. This rehab money is available on a first come, first serve priority until the money is depleted. The TCEDA Housing Committee must approve any rehabilitation projects. Bids are required for each project. All approved rehabilitation work will be completed after the purchase of the property and must be completed within 6 months of the purchase closing dates.

OTHER PROGRAM CONDITIONS:

Homeownership Education: Applicants must complete a **Homebuyer Education Class** prior to any loan closing. Please work with your mortgage lender for a list of classes or contact SENDD at the address listed below for a list of homebuyer education providers.

Security: The buyer will be required to execute a **Promissory Note** in the amount of the down payment assistance, which will be a “soft” second mortgage with no direct repayment as a “conditional deferred loan”. For any rehabilitation funds used in the project a second Promissory Note will be required identifying a “Conditional Grant”. TCEDA will place a **Deed of Trust** against the property as security for the Promissory Note(s). Security Documents will be executed at loan closing and filed at the County Register of Deeds.

- The obligations of the “**Conditional Deferred Loan**” will hold for the entire ownership of the property. Obligations under the note are as follows: If the buyer moves, rents, sells, transfers the title or abandons the home purchased through this program, repayment of the subsidy amount in full will be required at 0% interest.
- Any “**Conditional Grant**” for rehabilitation activities will have a decreasing balance and will be forgiven after 5 years.

Program Application Process:

In order to access this program, the following steps should be taken:

- Complete the HOP Application.
- Provide copies of the required documents as listed on the HOP Application.
- Return the executed Application and requested documents to:
Jim Warrelmann, Southeast Nebraska Development District (SENDN), 2100 Fletcher Ave., Ste. 100, Lincoln, NE 68521, phone 402-475-2560 or fax 402-475-2794.

Further Information: SENDD has been contracted by TCEDA for housing management of the program. If you have any questions, or need additional information, please contact Jim Warrelmann at the address listed below. Thayer County Economic Development Alliance (TCEDA) is an equal opportunity housing organization working to assist Homebuyers. We congratulate and encourage Homebuyers on their efforts to purchase homes and build equity for the future.

Southeast Nebraska Development District (SENDN)
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Equal Housing Opportunity

