



WELCOME HOME

**DOWN-PAYMENT ASSISTANCE
PROGRAMS**

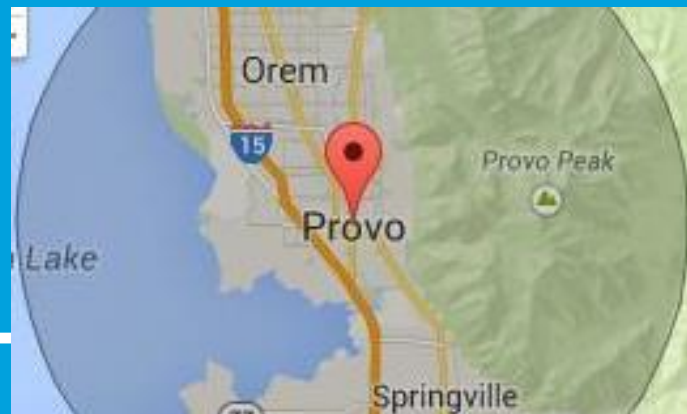
REDEVELOPMENT AGENCY OF PROVO CITY

The Redevelopment Agency's goal is to help low to moderate income families realize the dream of home ownership through down payment and closing cost assistance programs.



Home Purchase Plus

- Provo citywide down-payment and closing cost assistance
- 0% deferred payment loan up to \$10,000 based on need
- Property must remain the Borrower's principal place of residence
- Must be a first-time homebuyer (defined as someone who has not owned a home in the past 3 years)



- Income Restrictions:

- Persons in Household

- Maximum Household Income

– 1	\$38,750
– 2	\$44,300
– 3	\$49,850
– 4	\$55,350
– 5	\$59,800
– 6	\$64,250
– 7	\$68,650
– 8	\$73,100

- Minimum Credit Score 650
- Maximum Purchase price of Home \$239,000 (purchase price may not exceed appraisal)
- Must be able to put down \$1,000 of own money
- A single person qualifies for no more than a two bedroom home
- Single-Family, twin homes, townhomes, or condominiums



Loan to Own

- Countywide down-payment and closing cost assistance (Some exceptions)
- 0% deferred payment loan up to \$10,000 based on need
- Property must remain the Borrower's principal place of residence
- Must be a first-time homebuyer (defined as someone who has not owned a home in the past 3 years)



- Income Restrictions:

– Persons in Household	Maximum Household Income
– 1	\$38,750
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- Minimum Credit Score 650
- Maximum Purchase price of Home \$239,000 (purchase price may not exceed appraisal)
- Must be able to put down \$1,000 of own money
- All cities within Utah County (including unincorporated Utah County) qualify EXCEPT Except in Eagle Mountain, Fairfield, Highland and Woodland Hills and Provo



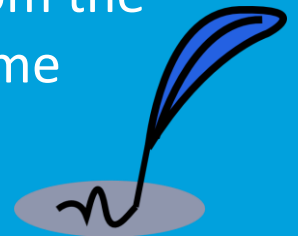
Application Steps for Your Clients

- Contact a mortgage company and prequalify
- Have a property under contract
- Home Purchase Plus - provo.org/welcomehome
- Loan to Own – loantown.net
- Sign up for Pre-Home Ownership Counseling Class
- Submit application with requested documents
- Application goes through our underwriting process
- Home must pass safety inspection
- Applicants financial summary is sent to the loan committee for review and approval
- This 2nd mortgage loan closes at our office separately from the 1st mortgage closing
- Once closed, money is wired to the client's title company



Underwriting Criteria

- Applicants must be at least 18 years of age and be on the job for at least 6 months
- Both applicant and co-applicant must be on our loan and must be U.S. citizens or qualified aliens
- Credit scores of both applicants will be considered
- Income of all household members over 18 years old is counted toward total household income
- Background checks will be performed on all applicants
- Home cannot be occupied by renters who would be displaced by the sale of the home
- If the home has a legal accessory apartment, income from the apartment will be counted toward total household income
- Total liquid assets cannot exceed \$15,000



The way we calculate client's income

- We project an annual income based on the previous 3 months earnings
- Add hours for all pay stubs by category, i.e., regular, sick, vacation
- Divide by the number of pay stubs
- Multiply by the pay rate
- Multiply by the number of pay periods in a year

Self Employment Calculations

- Provide three years of Schedule 'C' forms
- Provide a 12-month Profit and Loss Statement
- Income is total income less eligible expenses



INCOME



Our Required Ratios

- “A” Loan Credit Score of 700 or higher, clean credit for one year, no bankruptcies within past year
- Loan to Value 102%
- Debt to Income 45%
- Housing Expense 35%
- “B” Loan Experian Credit Score of 650-699, clean credit for one year, no bankruptcies for past two years
- Loan to Value 101%
- Debt to Income 43%
- Housing Expense 33%



Other Programs – Provo Only

- Egress Window Program
- Own in Provo – Same program as Home Purchase Plus, above 80% and up to 120% AMI restriction



Egress Window Program

- A window or window well large enough for exit or entry in case of an emergency
- Single-family, owner-occupied residence within the City limits of Provo
- Income qualify
- 0% deferred loan, possibility of forgiveness

