



**City of Cuyahoga Falls
Down Payment
Assistance Loan
Program For First Time
Homebuyers**

**LENDER AND REALTOR TERMS &
CONDITIONS FACT SHEET**

The Down Payment Assistance (DPA) Loan Program is funded by the federal Community Development Block Grant Program and is available for First Time Homebuyers in the amount of \$3,000.

The U. S. Department of Housing and Urban Development's (HUD) definition of a first-time homebuyer is:

- ◆ A person has never owned a home before, or
- ◆ A person has not owned a home in the past 3 years, or
- ◆ A person is a single parent (an individual) who:
 - 1) is unmarried or legally separated from a spouse; and 2) has one or more minor children for whom the individual has custody or joint custody, or 3) is pregnant, or
- ◆ is a displaced homemaker (an individual) who: 1) is an adult, 2) has not worked full time in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and 3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment

Process for the DPA Loan Program:

1. Applicant submits application, along with the following required documentation:
 - ◆ Lender Pre-approval letter;
 - ◆ Certificate or letter from Homebuyer/Homeowner Education Class;
 - ◆ Last year's federal tax return filed along with supporting W-2's and 1099's;
 - ◆ If applicable, any bankruptcy paperwork;
 - ◆ Two most recent months of bank statements;
 - ◆ Two most recent months of pay stubs
 - ◆ If divorced, a copy of their divorce decree;
 - ◆ If legally separated, a copy of the separation agreement;
 - ◆ If receiving child support, a copy of the CSEA printout,

- ◆ If receiving Social Security or VA benefits, a copy of the award letter;
- ◆ If receiving a pension or any other form of income, a copy of the award letter or other documentation to verify the income.

2. Once the completed application is received, the CDBG Entitlement Administrator will secure third-party verification documentation and determine the total unadjusted gross annual household income. The determination of income will be done in accordance with the Part 5 Annual Income Regulations, as found in CFR Part 5.
3. If the client is at or below 80% of the Area Median Income (AMI), and has submitted all required documentation, as listed above, then they will be accepted into the program provided funds are available and will receive a letter bearing the signature of Don L. Robart, Mayor of the City of Cuyahoga Falls.
4. Once the Client has received the letter from the Mayor, a search for a home may begin.
5. Once the client has found a home, their realtor will include contingency language in the purchase agreement of the clients' acceptance in the DPA Loan Program provided by the City of Cuyahoga Falls, which is:
 - ◆ Contingent upon availability of DPA Loan funds from the City of Cuyahoga Falls; and
 - ◆ Contingent upon satisfactory evaluation of the home by the City of Cuyahoga Falls Housing Division Manager or his/her designee (no cost to buyer); and
 - ◆ The offer is to include the following:

OFFER	
Purchase price.....	\$ ____ , ____ -
Earnest Money	(-) \$ ____ , ____ -
Remainder of	
Buyer's down payment.....	(-) \$ ____ , ____ -
Funds from the City	(-) \$ ____ , ____ -
Balance	\$ ____ , ____ -

6. One Year Home Warranty, to be paid for either by the seller, buyer or agent (s) is required.
7. Once the offer is accepted, the realtor will call the CDBG Entitlement Administrator
Phone: (330) 971 - 8140

E-Mail: *bellda@cityofcf.com*

Fax: (330) 971 - 8366

And fax a copy of the signed purchase agreement, no later than four (4) weeks prior to projected closing date.

8. The CDBG Administrator will schedule the City evaluation of the home within five (5) business days of receipt of the executed purchase agreement.
9. The CDBG Entitlement Administrator will contact the buyer and the realtor with the results of the City's evaluation (in writing), and:
 - ◆ If the home has no health, safety or code violations, the City will advise the home is acceptable, or
 - ◆ If the home has health, safety or code violations, the City will advise the home is not acceptable and will not provide matching funds for the purchase of the home until the deficiencies are satisfactorily corrected, and
 - ◆ If the City's evaluation is acceptable, the City will then advise the prospective homebuyer to schedule an inspection of the home by an ASHI certified home inspector of their choosing.
10. The buyer must place their down payment funds into an escrow account with the Title Company selected for the purchase.
11. The Title Company will send or fax a letter to the CDBG Entitlement Administrator stating they have \$X of down payment funds in escrow for the purchase.
12. The CDBG Entitlement Administrator will then send or fax a letter to the lender confirming the amount of funds the City will provide.
13. The Title Company will forward a preliminary copy of the settlement statement to the CDBG Entitlement Administrator showing the amounts of down payment assistance and buyer's funds in escrow.
14. The CDBG Entitlement Administrator will process the check request and have the check for the down payment assistance available for pick up by the Title Company no earlier that 48 hours before closing or will have the check delivered at the time of closing.
15. The City will draw up mortgage documents for the DPA loan and the Note to also be executed at

closing. The loan will be secured against the property and will be immediately subordinate to the purchase mortgage.

16. Other Program Requirements:

- ◆ Home must be located in the City of Cuyahoga Falls.
- ◆ Minimum time needed to process the DPA Loan request is six (6) weeks. Schedule closings accordingly.
- ◆ Funds can only be used for the purchase of a detached single family dwelling, not a condominium, modular home, or mobile home.

17. Purchase Loan Requirements:

- ◆ Underwriting criteria for the first mortgage has to meet the following criteria:
 - * The loan must be no greater than 30 years
 - * The rate must be fixed, no ARM or balloon payments
 - * Without the purchase of points, the interest rate cannot exceed 1.5% above the Weekly Primary Market Survey Rate published by Freddie Mac at www.freddiemac.com/pmms/
- ◆ Alternative forms of seller financing are not acceptable under this program.

By signing this document, I/we agree to the terms and conditions of the City of Cuyahoga Falls Down Payment Assistance Program.

Signature

Date

Signature

Date

Please provide a copy of this document to the realtor and title company along with a copy of your letter of acceptance from Mayor Don L. Robart.



City of Cuyahoga Falls, Ohio
Don L. Robart, Mayor

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