

CITY OF DESOTO DOWN PAYMENT ASSISTANCE PROGRAM

Eligible Use of Homebuyer Assistance	<ul style="list-style-type: none"> ➤ Maximum Available \$10,000 for down payment and closing costs ➤ Up to 3% of closing costs (included in the \$10,000) ➤ Primary lender fees NTE 2% of purchase price ➤ Only the gap between the sales price and total loan amount will be provided in down payment.
Acceptable Lien Position	2nd
Repairs	DPAP assistance funds cannot be used to make repairs
FICO score	None
Eligible Lenders	Approved Lenders participating in the City's Down Payment Assistance Program (DPAP)
Eligible Applicants	<ul style="list-style-type: none"> ➤ Applicant(s) must be a first- time homebuyer or must have not owned a home within the last three years ➤ Displaced home owners may be eligible, on the basis that he/she previously owned a home with a former spouse, but no longer resides in the residence; divorce decree must be submitted ➤ Applicant(s) must be either a citizen of the United States or a legal resident. ➤ Non-purchasing spouses are eligible and all debt will be included in ratios. Credit report is required.
Eligible Household Income	NTE 80% AMI adjusted for family size
Eligible Properties	<ul style="list-style-type: none"> ➤ Property must be located within the city limits of DeSoto go to www.dallascad.org (City of DeSoto should be noted in the taxing jurisdiction) ➤ If property is located in an airport clear zone, toxic waste site, or flood plain zone. A waiver of acknowledgment must be signed by the borrower ➤ Property may be an existing unit or new construction ➤ Property must be a single unit ➤ Government-owned properties are not eligible ➤ Manufactured homes are not eligible ➤ Existing homes cannot exceed \$237,000 (as of April 1, 2020) ➤ New Construction cannot exceed \$251,000 (as of April 1, 2020)
Homebuyer Education	Eight (8) hours of homeownership training is required and must be provided by a HUD-approved housing counseling agency. An online course has been approved through BCL of Texas visit ehomeamerica.org/bcl to register. Or visit website at hud.gov for a list of HUD-approved agencies
Affordability Period	Five years up to \$14,999. The loan will be forgiven after five years.
Repayment of Deferred Loan	Sale, assignment, transfer or rental of property during the affordability period will require immediate repayment of the full DPAP subsidy amount
Borrower Minimum Contribution	\$1,000.00 from borrower's own funds. May include up-front costs including application, appraisal and credit report fees

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Acceptable Loan Term	30 years term on FHA, conventional or VA loan
Housing and Debt Ratio Maximums	A borrower's home mortgage debt service ratio (front end ratio) may not exceed 35% nor be less than 10%. A borrower's total debt to income ratio (back end ratio) may not exceed 45%.
Program Fees, Closing Costs	There are no program fees to use this program; Closing costs may be paid from loan proceeds
Cash to Borrower	No cash to borrower at closing
Property Standards	Must pass Minimum Acceptable Standards Inspection <i>TREC Inspection is Required at Borrower's Expense</i>
City of DeSoto Inspection and Environmental Review	City inspection and Environmental Review required at no cost to the borrower
Appraisal	Primary Lender (only) at borrower's expense
Lead Hazard	Notification and evaluation required for homes constructed prior to 1978
Max Combined Loan-to Value	Combined Loan-to Value not to exceed 105%
Title Policy	Is required without endorsements, with the City of DeSoto shown as "second mortgagee"
Escrowed Taxes and Insurance	Borrower must maintain property taxes, hazard insurance, and if applicable flood insurance. City of DeSoto must be shown as "second mortgagee" <i>Taxes on new construction must be calculated on improved value</i>
HAP Verbiage Clause on Purchase Contract under Special Provisions	"Buyer to obtain assistance from the City of DeSoto's Down Payment Assistance Program for Down Payment and Closing Costs."
Maximum assets	None
Reserves	Two months-must be verified

Area Median Income (AMI) at 80%

Household Size	Maximum Annual Income
1	\$48,300
2	\$55,200
3	\$62,100
4	\$68,950
5	\$74,500
6	\$80,000
7	\$85,500
8	\$91,050