

HOMESTRETCH PROGRAM OVERVIEW

First-time applicants are eligible to receive up to \$10,000 of down payment assistance on a home located in the Gwinnett County area that is up to **\$349,000** for previously constructed homes and **\$410,000** for new construction homes **effective September 1, 2024** (Section 92.254(a)(2)(iii); Section 215(b) of NAHA [HOME 2024 Maximum Sales Price Limits]).

This assistance is provided as a 0 percent interest, zero payments, five-year deferred payment loan, meaning that as long as the homeowner remains the primary resident through the maturity date of the security deed, the lien is canceled, and no payments are required. Beginning on the first anniversary date of the security deed, the principal will be reduced by 20 percent each year. *Individuals that have not owned property in three years qualify as first-time applicants.*

This loan qualifies as a Soft Second Mortgage and can be applied to any regular fixed rate loan (i.e., FHA, VA, or Conventional) without an adjustable-rate mortgage component. This program will **not** participate with any form of 203k, Repair, or Escrow type loans. Short sale agreements **must** have written approval from the bank owner prior to consideration. *The purchase of HUD homes may be considered, with full understanding that the home must pass our Uniform Physical Condition Standards program inspection before approval.*

- Qualified applicants must submit a pre-application package containing:
 - **Pre-Application Package Checklist**
 - Three Bureau Credit Score Report with at least one credit score of **580 or higher**
 - **Eight-Hour** Applicant Pre-Purchase Class certificate from a HUD-approved agency
 - **Pre-Approval Letter** from the Mortgage Lender
 - **Executed Purchase and Sale Agreement** on an eligible property
(*Not required to submit the pre-application*).
- Upon receipt of the completed Pre-Application Package, the applicant will receive an Appointment Checklist Form that details the documentation requirements to determine program eligibility. The applicant is required to complete the appointment request form, recognizing that they must have copies of all documents prepared at the time of their appointment.
- Interested applicants may submit a Pre-Application Form once they have been prequalified by a lender. Appointments are made in the order in which formal application appointment requests are received. For the intake appointment, copies of all the required documentation listed on the Pre-Application and Application Checklist Form are required.
- After the applicant has been determined eligible, based on household size and income, and has presented at least one current credit score of 580 or higher, the Community Development office will perform in-house underwriting by obtaining a First Mortgage Loan Application from the lender. The applicant must have at or less than **43 percent front-end debt-to-income ratio** (a client's principal, interest, taxes, and insurance over their monthly gross income) and at or less than **55 percent back-end debt-to-income ratio** (a client's principal, interest, taxes and insurance payment, including any recurring debt installments over their monthly gross income).
 - Upon completion of the underwriting, the applicant will be issued a Preliminary Certificate of Program Eligibility stating approval to receive down payment assistance at the time of closing. This certificate will remain **valid for 180 days** from the application date.
 - Once a property has been put under contract, the Community Development office will conduct an environmental review of the property and authorize a UPCS program inspection. The Homestretch program pays the initial inspection. If the property requires a reinspection, then that is completed at the applicant's expense. The applicant is responsible for ensuring that utilities in the home are turned on and made ready for the home inspection. **The home must pass the program inspection to receive Homestretch funding.**

- If the home does not pass inspection, the seller or applicant have the option to pay for repairs. Any inspections following the initial program inspection will **not** be paid for by the Homestretch program.
- Once the home passes inspection and an appraisal is completed, the Community Development office will perform a final underwriting based final 10-03 to be provided by the Mortgage Lender.
- The following costs are eligible to be paid for with the down payment assistance:
 - Down payment
 - Closing Costs
 - Courier Fees
 - Homeowners Association Fees
 - Filing Fees
 - Intangible taxes; and
 - Pre-Paid Items.
- Applicants are also required to purchase Owners Title Insurance.
- **The applicant cannot cash out at closing.**
- The applicant must provide up to **\$1,000 in buyer participation towards the closing.**
- The Mortgage Lender will be responsible for providing the Housing and Community Development Division with the **First Mortgage Loan Estimate** and **Itemized Origination Fees Worksheet** (Base Origination Fee cannot exceed 1 percent of First Mortgage).
- The Community Development office will also need the **Copy of Appraisal** and the **Declaration Page for Homeowners Insurance**.
- Gwinnett County should be listed as the second lender on the Homeowner Insurance Declaration page. The lender language is detailed below:

Gwinnett County, ISAOA
446 West Crogan Street, Suite 420
Lawrenceville, GA 30046
- Please submit an Attorney First Mortgage Title Commitment to our office.
- The Preliminary and Final Closing Disclosure and closing documents must be reviewed and approved by a Housing Specialist prior to closing. Upon document approval, the Housing Specialist will authorize check release for the down payment assistance.

FFY 2024 Income Limits

HOUSEHOLD SIZE	MAXIMUM INCOME LIMITS [EFFECTIVE APRIL 2025]
1	\$63,980
2	\$73,100
3	\$82,250
4	\$91,350
5	\$98,700
6	\$106,000
7	\$113,300
8	\$120,600

PROGRAM TIMELINE***Estimate 30-45 Days***

All pre-application documents are submitted to GCCDP (Checklist, Class Certificate, Loan Pre-Approval letter, and Credit Scores).
GCCDP sends out an appointment request form once all the required pre-application documentation is received. Applicants are encouraged to contact GCCDP for an appointment once they have put an eligible property under contract.
The applicant contacts GCCDP when they have an eligible property under contract to set up an appointment based on the schedule of program staff and the applicant.
The applicant fills out a formal application and provides the GCCDP staff with all required documentation (ID, Proof of Income, and Assets Statements). Applicants are notified at this time of any documents that are missing that are preventing the final eligibility from being determined and are asked to submit those documents as soon as possible.
GCCDP will complete the file once all documentation has been received. After certifying the applicant is eligible, a program approval certification is issued to the program participant and the program issues a property inspection authorization. Applicants are given the responsibility of setting up the inspection appointments.
Program inspectors submit the inspection reports back to GCCDP.
After GCCDP receives a passed inspection report and an environmental is completed, the program participant is entered into reporting system and a payment request is created for review.
The Payment Request is approved and submitted to the Department of Financial Services.
The Department of Financial Services processes the payment request.
When the assistance check is available, the program participant is notified, and the closing is scheduled.
GCCDP will overnight all required legal documents to the closing attorney and will review the Closing Disclosure to clear the property for closing.

**Estimated timelines are contingent upon all required documentation being received by the GCCDP office and the program participant scheduling a timely property inspection.*

CONTACT INFORMATION:

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