



## GWINNETT COUNTY

### HOMESTRETCH DOWNPAYMENT ASSISTANCE PROGRAM

#### PROGRAM OVERVIEW

- First time homebuyers are eligible to receive downpayment assistance in the amount of \$7,500 in downpayment assistance on a home located in Gwinnett County that is up to **\$161,500.00** (*Section 92.254(a)(2)(iii); Section 215(b) of NAHA* [HOME 2015 Maximum Sales Price Limits]) for previously constructed homes and **\$199,500.00** for new construction homes. This assistance is provided as a 0% interest, 0 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 1<sup>st</sup> anniversary date of the security deed, the principal will be reduced 20% each year. *Individuals that have not owned property in three years qualify as first time homebuyers.*
- This loan qualifies as a Soft Second Mortgage and can be applied to any regular fixed rate loan (FHA/VA/Conventional) without an adjustable rate mortgage (ARM) component. This program will **NOT** participate with any form of 203k/Repair/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 (UPCS) program inspection before approval.*
- Qualified homebuyers must submit a pre-application package containing:
  - **Pre-Application Package Checklist** (Page 4 of Pre-application Packet)
  - 3 Bureau Credit Score Report with at least one credit score of **640 or higher**
  - **8 Hour Homebuyer Pre-Purchase Class** certificate from a HUD approved Counseling Agency
  - **Pre-Approval Letter** from the Mortgage Lender
  - **Executed Purchase & Sale Agreement** on an eligible property (Not required to submit the pre-application.)
- Upon receipt of the completed Pre-Application Package, the homebuyer will receive an Appointment Checklist form that details the documentation requirements for information necessary to determine program eligibility. Those items include **identification** and **sources of income and assets** documentation. The applicant is required to complete, then sign and date the appointment request form, recognizing they must have copies of all documents prepared at the time of their appointment.
- Once a homebuyer is under contract, they are instructed to submit their appointment request form to Homestretch program staff. Appointments are made in the order in which formal application appointment requests are received. The popularity of the program creates variation in the time frame in which an applicant may wait for their Application Appointment to be scheduled. *When funding is no longer available, we will stop accepting pre-applications.* Applicants will be scheduled to attend a Formal Application Appointment in which they are required to provide the documentation they collected from both the Pre-Application and Application Checklist forms.
- After the homebuyer has been determined eligible, based on household size and income, and has presented at least one current credit score of 640 or higher, the Community Development office will perform in-house underwriting by obtaining a 10-03 (1<sup>st</sup> Mortgage Loan Application) from the lender. The homebuyer must have less than **43% debt to income ratio** based on comparison of the homebuyer's income and minimum monthly debt.
- Upon completion of the underwriting the homebuyer will be issued a Preliminary Certificate of Program Eligibility stating approval to receive downpayment assistance at the time of closing. This certificate will remain **valid for 180 days** from the application date.





- Following the eligibility determination, the Community Development office will authorize a UPCS program inspection. The Homestretch program pays for one inspection. The homebuyer 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 homebuyer have the option to pay for repairs. Any inspections following initial program inspection will **NOT** be paid for by the Homestretch program.
- Once the home passes inspection and appraisal is completed, the Community Development office will perform final underwriting based final 10-03 if any changes have been provided by the Mortgage lender. The amount of assistance will be \$7,500 and may be used to pay the downpayment and cover closing costs, courier fees, Homeowners Association fees, filing fees, intangible taxes and any pre-paid items.
  - Homebuyers will be required to purchase Owners Title Insurance.
  - The Homebuyer can get no cash out at closing.
  - The Homebuyer must participate in Buyer participation up to \$1,000 at closing.
- The Mortgage Lender will be responsible for providing the Community Development office with the **First Mortgage Loan Estimate** and **Itemized Origination Fees Worksheet** (Base Origination Fee cannot exceed 1% of First Mortgage).
- The Community Development office will also need the **Copy of Appraisal** and the **Declaration Page for Homeowners Insurance**.
- The downpayment assistance should be listed as the 2<sup>nd</sup> Lender. The lender language is detailed below. Please submit Attorney 1<sup>st</sup> Mortgage Title Commitment to our office.
  - Gwinnett County, ISAOA,  
446 West Crogan St., Suite 275,  
Lawrenceville, GA 30046
- The Preliminary & Final HUD 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.

**INCOME LIMITS:**

HOUSEHOLD SIZE	MAXIMUM INCOME LIMITS [EFFECTIVE 03/25/2015]
1	\$38,200
2	\$43,650
3	\$49,100
4	\$54,550
5	\$58,950
6	\$63,300
7	\$67,650
8	\$72,050





**CONTACT INFORMATION:**

CONTACT	PROGRAM EXPERTISE	PHONE	EMAIL
Joselyn Torres, Housing Specialist	Initial Inquires/ General Questions	678-518-6032	<a href="mailto:joselyn.torres@gwinnettcountry.com">joselyn.torres@gwinnettcountry.com</a>
Matthew Elder, Deputy Director	Management	678-518-6053	<a href="mailto:matthew.elder@gwinnettcountry.com">matthew.elder@gwinnettcountry.com</a>

**PROGRAM TIMELINE**

*Estimate 45- 50 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 a 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. Homebuyers 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 (DoFS).
DoFS processes 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 closing attorney and will review the Closing Disclosure in order 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\*\**

