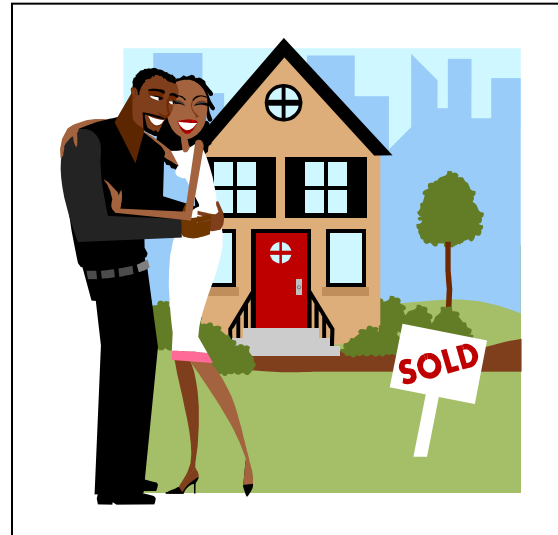


2013 City of Kettering DOWN PAYMENT ASSISTANCE (DPA) Program Guidelines



SECTION I: OBJECTIVES OF PROGRAM

To increase the accessibility of homeownership for low- and moderate-income households

SECTION II: APPLICANT ELIGIBILITY

1. Application eligibility is determined by the HomeOwnership Center of Greater Dayton.
2. The applicant's total annual household income must be less than or equal to 80% of the area median income (AMI) level for the Dayton, OH MSA, when purchasing a home in any Kettering neighborhood. Household income includes the earnings of all persons over the age of 18 who will be residing in the home.

Maximum Household Income Guideline:

Family Size	1	2	3	4	5	6	7
Income Limit	33,750	\$38,550	\$43,350	\$48,150	\$52,050	\$55,900	\$59,750

3. Assistance may be used toward down payment and/or costs associated with closing, up to maximum of \$8,000. The assistance is provided as a 0% interest forgivable loan.
4. The applicant must contribute the greater of 1% of the purchase price or \$1,000 of their own funds toward the purchase.

5. Preference will be given to applicants who have not owned a home during the three (3) year period prior to the purchase. The exception to this rule will be considered if an applicant is a displaced homemaker or a single parent with custody or joint custody of minor children.
6. Household assets, including but not limited to savings accounts, investments, other properties/ collections, must not exceed \$100,000. Excluded from that asset limit are: the value of two cars or other vehicles and the value of household goods.
7. The applicant must live in the home as a primary residence for a minimum of 60 months.
8. Potential homebuyers must complete an 8-hour Homebuyer Class and an individual session with the HomeOwnership Center of Greater Dayton. Training is available at our downtown Dayton location, or online (www.homeownershipdayton.org). The Homebuyer Class is \$40 (or \$50 online). If the applicant would like the HomeOwnership Center to pull a tri-merge credit report, the cost is \$15 per person.
9. Potential homebuyers must be able to obtain a commitment from a bank, savings and loan association, credit union or other private lending institution for a first mortgage to purchase the home. The first mortgage shall collect escrow funds and pay the property taxes and homeowner insurance premium.

SECTION III: PROPERTY ELIGIBILITY

1. Eligibility is restricted to existing and newly constructed single-family homes in the City of Kettering with a maximum purchase price not to exceed 95% of the area median purchase price.

2013 City of Kettering Area Median Purchase Price Limits	
Existing Homes	\$104,000
New Construction	\$195,000

2. The property will be subject to an inspection by the City of Kettering. Prior to the occupancy of the property, the house must be free of defects that pose an immediate danger to health and safety. Identified hazards include, but are not limited to, defective furnaces, water heaters, wiring, windows, water leaks, missing hand rails, inoperable or absent smoke detectors, deteriorating roofs, and unsanitary conditions. Also, if the property is located in a flood hazard area, flood insurance must be purchased prior to or at the loan closing.
3. The house must have sufficient living space for the family wishing to purchase the home. The City of Kettering will not support overcrowded housing conditions. For the purpose of this program, overcrowding is defined by the City of Kettering Property Maintenance Code: available online at http://www.ketteringoh.org/newweb/departments/plan_dev/prop_maint.php
4. The property must be owner-occupied or vacant. Homes currently rented are not eligible (unless currently rented by buyer).

SECTION IV: ELIGIBLE ACTIVITIES

The City of Kettering will provide a loan as indicated in Section II to eligible homebuyers, not to exceed \$8,000.00.

Assistance may be used toward down payment or closing costs. The monthly mortgage payment (including principal, interest, property taxes and insurance) must not exceed 30% of the applicant's gross month income and/or 42% with all other monthly debt payments. Mortgage financing must be a fixed rate mortgage with a lender and loan approved by the HomeOwnership Center of Greater Dayton.

SECTION V: NEIGHBORHOOD STABILIZATION PROGRAM

Neighborhood Stabilization Program (NSP) eligible projects will be considered for a forgivable loan of up to \$14,999 but no more than 50% of the lender required down payment plus closing costs. Applicant's total household income must not exceed 120% of the area median income. The Lender's appraisal will be reviewed and values over the purchase price will be considered as additional subsidy.

SECTION VI: APPLICATION PERIOD

Due to the interest in the program and the limited resources available, assistance will be offered on a first-come, first-served basis, as funding is available.

SECTION VII: PROGRAM PROCEDURES

- Buyer completes Down Payment Assistance Program application to determine eligibility for assistance by providing proof of total household income and total household debt obligations. Income tax return from the previous year, last two (2) months of bank statements, credit report and current pay stubs will be used as documentation.
- Buyer must complete the Homebuyer Education Class and individual session with a HomeOwnership Specialist.
- Buyer obtains pre-approval for a mortgage from a lender.
- Buyer locates home they wish to purchase and signs a sales agreement contingent upon obtaining mortgage financing and inspection of property by City of Kettering.
- Buyer provides a copy of the executed purchase contract to the HomeOwnership Center.
- The HomeOwnership Center notifies the City of Kettering to complete the home inspection for identification of any immediate health and safety problems as defined in "Property Eligibility" as well as any additional code violations per City of Kettering Property Maintenance Code and Kettering Housing Rehabilitation Standards.
- Inspector visits home and conducts inspection. Report is prepared identifying all immediate health and safety issues and code violations requiring repair.

- All codes and standards must be met prior to closing.
- The HomeOwnership Center receives documentation from the buyer's financial institution to determine buyer's final approval for assistance. Documentation includes Good Faith Estimate.
- Financial institution approves loan and sets up loan closing. The City of Kettering provides down payment and/or closing cost assistance at loan closing for purchase of home.

PLEASE NOTE: THE HOMEOWNERSHIP CENTER NEEDS TO BE NOTIFIED AT LEAST TWO WEEKS IN ADVANCE OF CLOSING TO REQUEST FUNDS AND ARRANGE A FINAL INSPECTION TO ENSURE THAT ALL HEALTH AND SAFETY VIOLATIONS HAVE BEEN CORRECTED.

SECTION VIII: PROPERTY TRANSFERRED/REFINANCED

1. If the home is sold, title transferred or the applicants no longer occupy the home as a principal residence, the entire loan amount will be due and payable to the City of Kettering.
2. The City of Kettering will only subordinate the loan to a new mortgage if it is for the sole purpose of the mortgagor receiving a lower interest rate.