

**City of Ann Arbor/Washtenaw County
Office of Community Development**

HOMEBUYER ASSISTANCE QUICKFINDER

Eligible Applicants	
Applicants	<ul style="list-style-type: none"> • Eligible Homebuyers must work with a non-profit • A Housing Counselor will refer the home buyer to the nonprofit that is appropriate AFTER the homebuyer completes the homebuyer education class AND is qualified to purchase a home <ul style="list-style-type: none"> ○ CALL MSU Extension at 734 997-1678 to register for required homebuyer education classes • Non-profits <ul style="list-style-type: none"> ○ Habitat for Humanity ○ Community Housing Alternatives
Eligible Households	
Households	<ul style="list-style-type: none"> • HOME funds: Households with incomes between 50% and 80% of Area Median Income • NSP funds: Households with incomes between 50% and 120% AMI • CDBG Funds: Households with incomes between 50% and 80% of Area Median Income • Households with incomes between 30% and 50% AMI only approved for a Habitat for Humanity of Huron Valley home, Habitat can provide housing up to 60% AMI • Does not have to be first time homebuyer, unless HOME ADDI funds • No more than 30% of gross income can be spent on housing costs (principal, interest, insurance, and taxes) 32% for condominiums • No more than 42% of gross income can be spent on monthly debt • Household whose housing costs are less than 25% of the gross income are not eligible for down payment assistance.
Eligible Properties	
NSP Property Only	<ul style="list-style-type: none"> • Foreclosed Properties: The foreclosure must be completed and the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure in accordance with state law • Abandoned Properties: A home that tax or mortgage foreclosure proceedings have been initiated for that property, AND no mortgage or tax payments have been made by the property owner for 90 days, AND the property has been vacant for at least 90 days
Property type	<ul style="list-style-type: none"> • Single family, condominium, co-op • Manufactured housing less than 10 yrs. old on fee simple lots (only allowed under stand alone DPA)
Property Location	<ul style="list-style-type: none"> • NSP funds: Designated NSP census tracts, see attached map • HOME & CDBG: Urban County jurisdictions, see attached map
Property Value	<ul style="list-style-type: none"> • The purchase price cannot exceed 95% of HUD's Median Limits (\$163,400 in 2011) in all jurisdictions • NSP: Purchase price must be a minimum of 1% less than appraised value • Appraisal must be in conformity with the appraisal requirements of the URA at 49 CFR 24.103, attached • Appraisal must be completed within 60 days prior to an offer made for the property
Property Standards	<ul style="list-style-type: none"> • All property must meet the standards of the 2009 International Property Maintenance Code and Model Energy Code before the property is occupied • All rehabilitated property must also meet the 2009 Michigan Residential Rehabilitation Code • The MI Rehabilitation Code must be met within 90 days of signing a contract with a general contractor for the HPR program • The MI Rehabilitation Code must be met within 180 days of purchase for the ADR program • A 4 star plus Energy Star rating is required for ADR and HPR funding and HUD "Healthy Homes" standards are encouraged
Eligible Activities	
Down Payment Assistance (DPA)	<ul style="list-style-type: none"> • Stand Alone Activity • DPA includes up to 50% of the down payment and all of the closing costs up to \$15,000
Homebuyer Purchase/Rehab (HPR) with non-profit partner	<ul style="list-style-type: none"> • Combines DPA with moderate rehabilitation funding • Homebuyer purchases a home • Rehab is managed by non-profit partner • Maximum combined assistance: \$50,000, inclusive of up to a maximum of \$15,000 for DPA and closing costs assistance • Code violations, accessibility, energy improvements, and approved general improvements

Acquisition Development Resale (ADR), including \$1 HUD homes, with non-profit partner	<ul style="list-style-type: none"> • Acquisition and rehabilitation • \$1 HUD homes are limited to households at 50% AMI or less • Home acquired by Washtenaw County, sold to non-profit, rehab overseen by non-profit and sold to eligible homebuyer • Sales price to homebuyer will not exceed investment by non-profit • Combines DPA with moderate rehabilitation funding • Maximum combined assistance: \$50,000, inclusive of up to a maximum of \$15,000 for DPA and closing cost assistance • Code violations, accessibility, energy improvements, and approved general improvements
Eligible Costs	
Acquisition	<ul style="list-style-type: none"> • Purchase costs • Closing fees and pre-paid items • Appraisal
Project Hard Costs – HPR/ADR	<p>The costs of rehabilitating the housing, including:</p> <ul style="list-style-type: none"> • Code violations • Energy-related repairs and improvements • Improvements necessary for persons with disabilities • Abatement of lead-based paint and other hazards • General improvements to improve marketability (ADR and HPR), if approved and funding is available
Project Soft Costs	<ul style="list-style-type: none"> • Will be paid out of the developer fee
Developer Fee	<ul style="list-style-type: none"> • DPA: 15% of DPA • ADR/HPR: 20% of total project costs, inclusive of DPA assistance • HPR/DPA total development cost does not include private acquisition funds, only includes County investment • Developer Fee is in addition to home buyer assistance maximum
Home buyer Education	<ul style="list-style-type: none"> • Must complete 8 hours of HUD or MSHDA certified education course • Must complete approved home maintenance class (included in 8 hours total) • CALL MSU Extension at 734 997-1678 to register
Relocation	<ul style="list-style-type: none"> • If property is occupied by a renter at the time a purchase is offered, relocation will apply and expense is not included in home buyer assistance maximum • Includes homeowners who have lost their home due to foreclosure and who are occupying the home as a renter from the new owner
Recapture & Affordability Requirements	
Documents	<ul style="list-style-type: none"> • Mortgage and Note as provided by the County, with the County as Mortgagee
Compliance	<ul style="list-style-type: none"> • Must be primary residence of owner for 20 year compliance period • If property is sold, transferred, or is no longer primary residence, then the funds are subject to recapture as noted under loan terms
Loan Terms	<ul style="list-style-type: none"> • 0% Interest, deferred payment, 20-year loan • Recapture formula: The County will be repaid both the principal and a percent of appreciation (based on the County's subsidy as a percent of the home's after rehab value), at the time of sale or transfer. If at the time of sale or transfer, the home has not appreciated in value or the proceeds are insufficient to repay both the principal and shared appreciation, the balance of the owner's unpaid lien shall be forgiven. • If the owner remains in the home as the primary residence for 20 years, the principal and appreciation is forgiven after 20 years.
Minimum Assistance	<ul style="list-style-type: none"> • \$5,000 per assisted unit
Maximum Assistance	<ul style="list-style-type: none"> • DPA: \$15,000 • HPR: \$50,000 inclusive of a maximum of \$15,000 DPA & \$12,500 for energy and green rehab • ADR: \$50,000 inclusive of a maximum of \$15,000 DPA & \$12,500 for energy and green rehab • Additional assistance provide on a case by case basis
	<ul style="list-style-type: none"> •

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