EQUAL HOUSING OPPORTUNITY

PARTICIPATION REQUIREMENTS

WASHTENAW COUNTY HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) & AMERICAN DREAM DOWN PAYMENT INITIATIVE (ADDI) HOMEOWNERSHIP ASSISTANCE[1]

(to be signed by all Participating Lenders)

1. There is a preference for **first-time homebuyers** (this is required for ADDI), as defined below:
   a. An individual or household that has not owned home during three year period prior to purchase of HOME - assisted unit; and/or
   b. A "**displaced homemaker** [2]" or "**single parent** [3]", and who, even if while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.
2. Homebuyer must have a household income below the most current HUD -established limit (approximately 80% of Area Median).
3. Homebuyer must limit their total housing cost to 30% of their monthly gross income to participate in the programs. This includes mortgage payment, homeowner insurance, taxes, and private mortgage insurance (PMI).
4. The homebuyer's debt to income ratio must not exceed 42% of their monthly gross income.
5. The homebuyer must agree to maintain the unit as his/her principal residence during the period of affordability.
6. The homebuyer must attend homebuyer education through the Washtenaw Housing Education Partners Program.
7. The homebuyer must agree to sign a lien document that describes the partial recapture of the HOME and/or ADDI subsidy.
8. As administrator of HOME and ADDI funds, will consider subordination of recapture liens (for refinancing, etc.) according to the Washtenaw County HOME/CDBG/ADDI lien subordination policy.
9. The homebuyer will be required to use conventional and portfolio mortgages only.
10. Homebuyers shall obtain fixed rate mortgages.
11. The homebuyer shall have at least three (3) months of reserves when purchasing an assisted unit. At least the Washtenaw Housing Education Partners staff members shall verify two (2) months of those reserves.
12. No household benefiting from homeownership (buydown) assistance can have more than $50,000 in assets, excluding any retirement investments. If non-retirement assets exceed $50,000, then the excess must be used to reduce the debt on the house.
13. Homebuyer must purchase a home located in one of the following jurisdictions of Washtenaw County: Ann Arbor Township, Salem Township, Superior Township, Northfield Township, the City of Ypsilanti, Ypsilanti Township, Pittsfield Township, or Bridgewater Township. Verification of the property location must be completed before funds are reserved.
14. Homebuyer must contribute personal funds of at least 1% of the purchase price.
15. All units for purchase in the HOME or ADDI Down Payment Assistance Program must meet Section 8 Housing Quality Standards before acquisition.

Acknowledgement of Receipt of Washtenaw County HOME/ADDI Program Participation Requirements

As a **prospective participant** of the HOME or ADDI homeownership assistance programs, I _____ (print name), hereby acknowledge that I have been given a copy of the Program Participation Requirements.

Signature _____ Date_____

As a **prospective lender** for _____ (print name of participant), a participant of the HOME or ADDI homeownership assistance programs, I _____ _____ (print name), hereby acknowledge that I have been given a copy of the Program Participation Requirements.

Signature _____ Date_____

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[1] These programs can be accessed through the Washtenaw Housing Education Partners Homebuyer Education Program, which is provided by MSU Extension, POWER, Inc., and Community Housing Alternatives. These requirements apply to homeownership assistance programs through Community Housing Alternatives and Ypsilanti Gateway Community & Economic Development Corporation.

[2] A displaced homemaker is defined by HUD as an individual who: 1) is an adult; 2) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and 3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

[3] A "single parent" is defined by HUD to mean an individual who: 1) is unmarried or legally separated from a spouse; and 2) has one or more minor children for whom the individual has custody or joint custody, or is pregnant.