

## **Eligibility Criteria**

The family income must not exceed 80% of the area's median family income as per HUD Section 8 Program Income Guidelines updated annually.

The applicant(s) must be first-time homebuyer. Exceptions to this rule are a displaced homemaker and a single parent.

The applicant must have resided within the City limits at least six months prior to being assisted with HOME funds.

The Eligible Borrower must have a valid earnest money contract.

The applicant must have a valid, pre-approved conditional mortgage commitment. A letter from the mortgager stipulating the need for a down payment and the applicant's lack of affordability for it must be on file.

The applicant must have at least a two-year employment history.

The applicant must be determined to have credit worthiness by a financial lender.

The applicant must occupy the property as his/her principal residence.

## **Terms of Downpayment Assistance Loans**

Applications are processed on a first-come, first-serve basis. The Department of Community Development Director will have the final decision on the approval of the applications.

It is recommended that the assisted homebuyer(s) make a minimum investment of \$1,000.

Homebuyer(s) must enroll and complete a Homebuyer Education Course Program.

The property may be an existing home or a newly constructed home.

Existing homes that were built prior to 1978 will require lead-based paint testing at the responsibility of the seller. Proper documents attesting to the lead hazard clearance must be remitted to the Department of Community Development at this point.

The property value limitation will be set by HUD's section 203 (b) guidelines.

A second Lien Deed of Trust and Real Estate Lien Note will be recorded against the property being purchased.

The eligible borrower(s) will comply with the binding commitments regarding the unit's affordability.

## **Process**

The City of Laredo welcomes all eligible applicants to participate in the Home Investment Partnerships Program (HOME) First-Time Homebuyer Down Payment Assistance Program (DPAP). The DPAP is intended to serve those individuals/families who are of low to moderate-income levels and who have not owned a home three years prior to the assistance. Prospective homebuyers may contact a builder or real estate agent of his/her choice. The builder/real estate agent in turn will refer the homebuyer to a finance/mortgage company. The Finance/Mortgage Company will assist the homebuyer in completing the application for downpayment assistance and forward a complete package to the City of Laredo-Community Development Dept. for review and approval.