

# HOME Program

Housing America Corporation, through its partnership with the Yuma County Home Consortium (YCHC), provides HOME funds to increase affordable homeownership opportunities for low to very low income households in Yuma County. The program helps eligible households to purchase a home, by leveraging HOME program funds with private first mortgage financing and owner equity. HOME funds serve as gap financing, assisting the borrower with the difference between a loan amount they can repay, and the cost of purchasing a home.

The program is designed to assist low to very low income home buyers in purchasing a modest home in Yuma County. This program is contingent on availability of funds. HOME funds will be used for the purchase of new construction homes that will be completed in the summer of 2020 at the following locations:

- 290 N. Escamilla San Luis, AZ
- 3555 E. Hernandez San Luis, AZ
- 29813 E. Vista Ridge Wellton, AZ

## General HOME Program Guidelines

**(guidelines are subject to change without prior notice)**

- The borrowers HOUSEHOLD annual gross income may not exceed eighty percent (80%) of the Yuma County's AMI; as established by the United States Department of Housing and Urban Development (HUD) and adjusted income based on household family size

<b>2019 Adjusted HOME income Limits</b>								
<i>Effective June 28, 2019</i>								
AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	\$28,500	\$32,600	\$36,650	\$40,700	\$44,000	\$47,250	\$50,500	\$53,750

- Borrowers household debt to income ratios MUST not exceed 31% / 43%
- Borrowers MUST contribute a minimum of \$1,000 toward closing costs

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- Borrowers must attend a homebuyer education course provided by a HUD-approved counselor and housing counseling agency before the loan closing
- Sales price or appraised value MUST NOT exceed the maximum purchase price limit as set forth by the United States Department of Housing and Urban Development (HUD)

## Loan Term Requirements

- Fixed interest rate loan with a term of at least 15 years
- The first mortgage rate may not exceed three percent (3%) points above the current LIBOR interest rate for households of 80% of the area median income or below
- The household debt to income ratios MUST not exceed 31% / 43%
- Pre-payment penalty is NOT allowed
- Balloon Mortgages are NOT allowed

## Terms of Promissory Note and Mortgage Security Agreement

The homebuyer must sign a promissory note, deed of trust and other security documentations equal to the amount of the HOME funds invested in the purchase. The security instruments will enforce the provisions of this policy and direct any recaptured HOME funds back to the Yuma County Home Consortium. During the period of affordability, the security instruments will be required repayment of the entire HOME loan upon:

- Transfer of sale of the property
- Renting the property
- Failure of the borrowers to reside in the home as their primary residence
- Default on the first mortgage or any other senior or junior loan or encumbrance
- Modification of lines to withdraw home equity

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## Affordability Period

The following chart will be used in determining the recapture period for which the homebuyer must occupy the property as their primary residence or the homebuyer will be required to repay the entire HOME loan assistance:

<b>Amount of HOME Assistance</b>	<b>Number of Years</b>
\$5,001 - \$15,000	10
\$15,001 - \$40,000	15
\$40,000+	20