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DOWN PAYMENT ASSISTANCE PROGRAM

The Washington County Community Development Agency's Mission, Vision, and Values

Through innovation, the Washington County Community Development Agency promotes community and economic development, and provides and maintains affordable, decent and safe housing opportunities in Washington County.

In connection with Single Family Division loan programs, Minnesota Housing does not make or arrange loans. It is neither an originator nor creditor and is not affiliated with any Lender. The terms of any mortgage finance transactions conducted in connection with these programs, including important information such as loan fees, the annual percentage rate (APR), repayment conditions, disclosures, and any other materials which are required to be provided to the consumer are the responsibility of the Lender.

The Washington County CDA Down Payment Assistance program increases affordability, helps close the homeownership gap and encourages economic integration.



PROGRAM OVERVIEW

AVAILABILITY OF FUNDS

The Down Payment Assistance, up to \$10,000, will be made in the form of a subordinate loan. Loans are available on a first-come, first-served basis until funds are depleted. The program is funded by Minnesota Housing.

ELIGIBLE APPLICANTS

Loans are available to first-time homebuyers (those who have not owned a home within the last 3 years) purchasing a home in Washington County, Minnesota.

INCOME AND PURCHASE PRICE LIMITS

The borrower's and other applicable household members' combined annual gross income must be at or under \$80,000, subject to change. Home price must be less than \$328,200.



REQUIRED BORROWER FUNDS

Borrower(s) must invest a minimum of \$1,000 of their own funds.

HOMEBUYER EDUCATION AND COUNSELING

Homebuyers must attend an approved Homebuyer Education course and meet with a HUD-approved Homebuyer Counseling organization prior to closing. **Contact the CDA at 651-202-2822 for a list of approved homebuyer education courses and counseling agencies.**

LENDING CRITERIA

DPA LOAN STRUCTURE

DPA loans must be paid back at the end of the 30-year term or when the home is sold or ownership is transferred, are non-amortizing, deferred and interest-free. Qualified homebuyers must have an active purchase agreement and meet all homebuyer, first loan and property requirements in order to qualify.

ELIGIBLE FIRST MORTGAGES

- Must allow second mortgage on property;
- Must be at least 30-year term and amortization;
- Permanently fixed interest rate that does not exceed current market rate;
- Cannot require down payment that exceeds 5% of sales price;
- No rollover, adjustable rates or principal balloons;
- Principal, interest, taxes, insurance, association fees, land trust lease fees and/or lot rental fees all combined cannot exceed 30% of borrower's adjustable gross monthly income.



OTHER ASSISTANCE

Buyers are highly encouraged to seek other forms of down payment and closing cost assistance prior to seeking CDA DPA funds. DPA funds may be coupled with lender's or other sources of closing cost assistance.

APPLICATION PROCESSING

- [] Completed CDA application and program disclosures
- [] Verification of all applicable income (call for list of documents)
- [] Loan Estimate and Fannie Mae 1008
- [] Copy of appraisal done at time of sale
- [] Copy of Lender/Owner's Title Insurance Policy

Request the complete program policy and/or application by contacting the CDA Homeownership Team at 651-202-2822 or Homeownership@washingtoncountycda.org