



DEVELOP LOUISVILLE DOWN PAYMENT ASSISTANCE PROGRAM

FREQUENTLY ASKED QUESTIONS

1. What is the application process?

- a. Homebuyer(s) complete homeownership counseling from HUD Certified Counseling Agency
- b. Homebuyer(s) obtain first mortgage pre-approval from financial institution
- c. Homebuyer(s) submits COMPLETED application packet to Metro
- d. Homebuyer(s) receive entrance or denial based upon income
- e. Upon qualification, homebuyer(s) engages Realtor (if not already done so) to assist in home search
- f. Homebuyer(s) locates home and obtains accepted
- g. Homebuyer(s) submits COMPLETED Home Purchase Packet to Metro
- h. Case review board reviews and determines the amount of assistance, IF ANY, available to the homebuyer(s)
- i. Homebuyer(s) closes on home
- j. VAP Only – rehabilitation of home occurs and property passes Metro inspection before occupancy

2. How much assistance will I receive?

The maximum amount of Down Payment Assistance per homebuyer will be no more than 20% of the purchase price, but also based on the need the individual buyer.

3. How long does the application process take?

The application process is a two-step process. The first step is to submit a Down Payment Assistance Application online. The application can be found on this website <https://louisvilleky.gov/government/housing/down-payment-assistance-program>. Once you have submitted a complete application, you will receive notification if you are income qualified to participate in the program. Once you receive the eligibility letter you can start searching for a home. The second step is submit a Home Purchase Packet to our office, once you have a sales contract on a home. Once you have submitted a complete home purchase packet, you will receive notification as to the amount of assistance you will receive. It can take up to 8 weeks between receipt of a home purchase packet and closing on a home. The entire process can take anywhere from 30-120 days

4. Can I purchase a vacant, abandoned property (VAP) to rehab?

YES, we encourage homebuyers to invest in VAP's if they utilize a FHA 203(k) loan. Speak with your lending intuition for more information about 203(k) loans.



DEVELOP LOUISVILLE DOWN PAYMENT ASSISTANCE PROGRAM

5. Where do I start?

You must complete homeownership counseling and receive a pre-approval from a lending institution BEFORE you apply. Please see the list of housing counseling agencies to enroll in homeownership counseling. If you have completed these steps, please fill out the Down Payment Assistance Application, as found on this website and submit it to our office.

7. Will you reserve assistance for me?

No, assistance is provided on a first come, first serve basis, subject to availability of funding. We will be able to conditionally commit assistance to a homebuyer, once their application has been approved by the case review board.

8. What is expected of me as the homebuyer?

Homebuyers are expected to financially contribute \$500.00 to the purchase of the property through the payment of appraisal, home inspection, the good faith deposit, etc. Homebuyers also have to submit a check or money order in the amount of \$36.00 to cover the cost of recording Metro closing documents. The homebuyer(s) good faith deposit must be credited against the purchase of the home, and under no condition will funds from the closing will result in cash back to the homebuyer(s). Additionally, the homebuyer is expected to live in the home as their primary residence for the term of the mortgage, between 5 – 15 years, depending upon the amount of assistance provided. If the homebuyer moves before the mortgage term expires, a percentage of the amount of assistance will be subject to recapture / repayment to Metro.

9. Where can I get more information?

Please call 502-574-1974