

**DOWN PAYMENT
ASSISTANCE PROGRAM**

GOALS

- Produce homebuyers that are informed consumers so that they may successfully navigate real estate transactions and fully understand the responsibilities of homeownership.
- Help homebuyers build equity and provide for the opportunity for financial stability.
- Incentivize the purchase of homes by low to moderate income residents to encourage mixed-income neighborhoods and the de-concentration of poverty.
- Encourage homeownership in Metro's Neighborhood Revitalization Strategy Areas (NRSA).
- Encourage reinvestment in Louisville Metro's vacant and abandoned properties (VAP).

FREQUENTLY ASKED QUESTIONS

1. 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.

2. 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.

3. Do I have to be a first time homebuyer?

NO, homebuyers just have to be income and credit qualified to participate.

4. Where do I start?

You must complete homeownership counseling and receive a pre-approval from a lending institution BEFORE you apply.

5. Where can I get more information? Visit

our website at

<https://louisvilleky.gov/government/housing-community-development/down-payment-assistance-program>

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**DEVELOP
LOUISVILLE**

**OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT**

Louisville-Jefferson County Metro Government, Develop Louisville does not discriminate in employment or in the provision of services on the basis of disability, sex, race, color, religion, age, national origin, familial status, sexual orientation or gender identity.

**Office Hours
Monday-Friday
8:00 a.m.-5:00 p.m.**

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www.louisvilleky.gov**

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ELIGIBLE HOMEBUYERS

The Homebuyer Assistance Program is available to any homebuyer that is looking to purchase an existing or newly constructed home in the Louisville Metro area. You **do not** have to be a first time buyer to qualify. However, all homebuyers must be credit and income qualified.

Homebuyer(s)' gross income must be 80% or below of the area median income adjusted for family size, as determined by HUD.

1 person	2 persons	3 persons	4 persons	5 persons
\$40,050	45,800	51,500	57,200	61,800

** Effective April 1, 2018*

All applicant(s) must attend homeownership counseling classes from a HUD certified counseling agency in order to obtain the required certificate and to apply for the Homebuyer Assistance Program.



Homeownership Counseling Agencies

NIC-HCA – (502) 810 – 9200

Louisville Urban League- (502) 585-4622

Or any other HUD Certified counseling agencies

Applicant(s) must obtain first mortgage financing through a local lender.

APPLICATION PROCESS

1. Homebuyer(s) complete homeownership counseling from HUD Certified Counseling Agency
2. Homebuyer(s) obtain first mortgage pre-approval from financial institution
3. Homebuyer(s) submits COMPLETED application packet to Metro
4. Homebuyer(s) receive **entrance or denial** based upon income
5. Upon qualification, homebuyer(s) engages Realtor (if not already done so) to assist in home search
6. Homebuyer(s) locates home and obtains accepted sales contract
7. Homebuyer(s) submits COMPLETED Home Purchase Packet to Metro
8. Case review board reviews and determines the amount of assistance, IF ANY, available to the homebuyer(s)
9. Homebuyer(s) closes on home
10. VAP Only – rehabilitation of home occurs and property passes Metro inspection before occupancy



ELIGIBLE PROPERTIES & OWNERSHIP

Homebuyers can purchase a single-family unit, single-family unit in a multifamily row house, or a condominium. Ownership must be in fee simple title or an ownership or membership in a condominium or cooperative unit.

Homebuyers are encouraged to purchase and rehabilitate vacant and abandoned properties (VAP). Funding can be utilized toward the rehabilitation of a vacant and abandoned property if a potential homebuyer utilizes a FHA 203(k) mortgage or similar product/program.

Assistance is provided in the form of a forgivable second mortgage for down payment assistance for the purchase of a home in the Louisville Metro area.

The property purchased by the homebuyer must be occupied as their principal residence for the term of the mortgage. Mortgage terms range from 5 – 15 years depending upon the amount of assistance provided.

Prior to approval of the second mortgage, the property to be purchased will be inspected for code violations and a lead safe living environment.

Homebuyer(s) are must contribute a minimum of \$500 towards the purchase of the home. Homebuyer(s) are encouraged to personally provide a down payment of at least 2%.

Under no circumstances will funds from the mortgage result in cash back to the borrower(s), nor will the sum of all financing exceed 100% of the property cost plus any normal prepaid loan expenses.