

# GREENSBORO AFFORDABLE HOME LOAN INITIATIVE

## Introduction

The Greensboro Affordable Home Loan Initiative (GAHLI) is a program that provides homebuyer counseling, education, and financial assistance to low and moderate-income first-time Greensboro homebuyers. Funding for the program is provided through HUD's American Dream Downpayment Assistance Initiative Program.

GAHLI is administered by the Greensboro Housing Counseling Service (GHCS), which is part of the Greensboro Housing Development Partnership, Inc. The Partnership is a nonprofit housing corporation established jointly by the City of Greensboro and the Greensboro Housing Authority.

## WORKING WITH GAHLI IS AS EASY AS 1 - 2 - 3

### STEP 1. COUNSELING

Applicants interested in GAHLI should contact GHCS to schedule a one-hour prequalification interview with the housing counselor. **The following documents should be brought to the interview:**

- \$25 non-refundable processing fee (paid upon acceptance into the program)
- photo identification (such as a driver's license)
- proof of income & employment for the past 3-years (recent paystub, federal tax returns along with W2's for the last 3-years)
- bank statements showing current checking and saving account balances

The one-hour counseling will cover program eligibility requirements, lending criteria and creditworthiness. A credit report will be pulled and discussed with applicants. If the applicant is determined to be ready, the GHCS housing counselor will discuss the next steps with them. If it is determined that the applicant is not ready, the counselor will determine what steps will be necessary for them to qualify for assistance in the future.

### STEP 2. HOMEBUYER EDUCATION

Applicants accepted into the program will be enrolled in an eight hour pre- and –post purchase training program sponsored by GHCS. **Completion of these courses is mandatory before a homebuyer signs a purchase contract or receives GAHLI financial assistance.** The homebuyer education program is a two part program which covers such topics as credit, fair housing, mortgage financing, working with a realtor, understanding what you are signing at closing, refinancing, home maintenance, the rights and responsibilities of homeownership, family budget management, and homeowner's insurance.

### STEP 3. FINANCIAL ASSISTANCE

For qualified homebuyers GAHLI provides a no-interest second mortgage. Funds from this loan may be used for downpayment, closing costs, and/or principle reduction. Repayment is deferred or put off until the property is sold (properties must remain owner-occupied) or the first mortgage is paid off. The amount of GAHLI is determined by household size and income (based on HUD figures for Greensboro area). The following chart describes the amount of assistance available:

<u>Household Size</u>	<u>Below 50% Median</u>	<u>Maximum Assistance</u>	<u>Below 65% Median</u>	<u>Maximum Assistance</u>	<u>Below 80% Median</u>	<u>Maximum Assistance</u>
1	\$20,500	\$4,000	\$26,650	\$3,000	\$32,750	\$2,000
2	\$23,400	\$5,000	\$30,420	\$4,000	\$37,450	\$3,000
3	\$26,350	\$5,000	\$34,255	\$4,000	\$42,100	\$3,000
4	\$29,250	\$5,000	\$38,025	\$4,000	\$46,800	\$3,000
5	\$31,600	\$5,500	\$41,080	\$4,500	\$50,550	\$3,500
6	\$33,950	\$5,500	\$44,135	\$4,500	\$54,300	\$3,500
7	\$36,250	\$5,500	\$47,125	\$4,500	\$58,050	\$3,500
8	\$38,600	\$5,500	\$50,180	\$4,500	\$61,800	\$3,500

Homebuyers purchasing through the GAHLI program must contribute a portion of their own funds into the transaction. This is also based upon household size and income.

<u>Household Size</u>	<u>Minimum Downpayment Requirement</u>
Below 80% Median	\$1,250 + prepaids* at closing
Below 65% Median	\$1,000 + prepaids* at closing
Below 50% Median	\$ 750 + prepaids* at closing

\*Prepaids can be paid by the seller or a third party if allowed by the first mortgage lender and loan underwriting.

### STEP 4. HOME SEARCH

Eligible properties include new, existing or rehabilitated single-family homes and condominiums and located within Greensboro's city limits. The sales price on a new property cannot exceed \$175,000 and the sales price on an existing property cannot exceed \$160,000. Properties must meet housing code standards.

If the GAHLI client signs a purchase contract on an existing property, GHCS will order and pay for a home inspection to be performed. Pre-1978 homes purchased through the program will be subject to the federal requirements governing lead-based paint. More information on lead based paint can be obtained by calling (336) 373-3624.

### **PROGRAM CRITERIA**

- Participants must be a first time homebuyer or cannot have owned property within the past three years.
- GAHLI funds cannot be used to pay discount points, buydowns or prepaid expenses.
- Participants must obtain a fixed-rate, 30-year first mortgage from participating FHA, VA, conventional or portfolio lenders.
- ARM or balloon first mortgage loans are not allowed.
- Non-conforming, high interest rate and fee loans will not be accepted.
- Lender or seller paid 2:1 buydowns allowed.
- Housing expense-to-income ratio must not exceed 33%.
- Maximum debt-to-income ratio may not exceed 41%.
- One house payment must be in a reserve account. Reserve must be verified by lender.

### **GAHLI HOME LOAN PROCESSING**

When an eligible buyer has selected a home and the sales contract has been executed, it must be submitted to GHCS for review and approval. A home inspection will be scheduled by GHCS and the homebuyer will be notified of the property's eligibility and any property deficiencies.

In addition, first mortgage financing from a participating lender must be approved in order to receive GAHLI second mortgage. Once approval has been granted the first mortgage financing, the participating lender must submit a signed and completed Deferred Second Mortgage and Lender Affidavit (contact GHCS for form).

A five-day turnaround time is required from approval of the GAHLI second mortgage to loan closing. GHCS prepares closing documents and requests funds much like the first mortgage lender.

### **FOR FURTHER INFORMATION CONTACT:**

CITY OF GREENSBORO  
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
300 WEST WASHINGTON STREET, ROOM 315  
GREENSBORO, NC 27402-3136  
PHONE: (336) 373-4146; FAX: (336) 373-2153  
OR VISIT WEBSITE at [www.greensboro-nc.gov](http://www.greensboro-nc.gov)

**Office Hours: 8 AM to 5 PM Weekdays**

**Updated 4/1/09**

# Servicio De Consejeria Sobre La Vivienda En Greensboro

## Programa Para La Compra De Casas

### Ciudad De Greensboro Departamento De Desarrollo De La Vivienda Y La Comunidad

#### La Vivienda En Greensboro Servicio De Consejeria (GHCS)

Asiste a los compradores de casas por primera vez proveiendolos de los servicios siguientes:

#### Consejeria Financiera

Una valoración financiera es determinada en una persona que desee comprar su casa en la disposición que esta tenga, como la de cualquier aplicante desde la entrevista inicial.

En la entrevista inicial se hace una valoración financiera de la persona compradora de la casa y la disposición de la misma. Los aplicantes deberán traer en la entrevista inicial los documentos siguientes:

Una identificación que tenga la fotografía de la persona, los modelos W2 de los impuestos federales en los últimos tres años, el más reciente estado de sus cuentas bancarias y \$25 que no le serán devueltos para el pago del procesamiento.

#### Educación De Los Compradores De Casas

Después de ser aceptados en el programa los aplicantes deberán asistir y participar en el seminario de educación a los compradores de casas. Los tópicos que serán tratados en este seminario son los siguientes:

Financiamiento de la hipoteca, inspección de la casa, cierre de la compra de la casa, valor de la vivienda, responsabilidad y derechos de los dueños de casas, y el mantenimiento de la vivienda.

#### Asistencia Financiera

El programa ofrece el pago inicial y el cierre de la compra de la casa y la asistencia en el cierre en la forma de libre de intereses en el segundo préstamo de la hipoteca. El reembolso de este préstamo será aplazado hasta que uno u otro sea pagada a la primera hipoteca o después de la venta de la propiedad. El dueño debe permanecer ocupando la propiedad mientras dure el termino del préstamo. El pago para la asistencia en la segunda hipoteca es determinado por el número de personas que forman su familia y las entradas económicas de la misma. Combinando las entradas familiares no debe exceder el 80% de la media.

#### Requerimientos Del Programa

Los aplicantes tienen la posibilidad de comprar nuevas casas existentes o rehabilitadas unifamiliares, o multi familiares. La compra no debe exceder de un precio de new \$175,000 & existing \$160,000. La propiedad debe estar dentro de los límites de la ciudad de Greensboro. Debe tener los códigos dentro de las reglas. Al cierre de la compra de la propiedad debe pagar el impuesto del programa de GHCS ordenara y pagara por la inspección de la casa y de la propiedad existente.

#### Usted Puede Calificar Para Asistencia Si Sus Entradas Monetarias No Exceden De Los Siguients Parametros:

Composición del núcleo familiar	Del 50% al 80% de la media
1	\$32,750
2	\$37,450
3	\$42,100
4	\$46,800
5	\$50,550
6	\$54,300
7	\$58,050
8	\$61,800

Updated 4/1/09

La asistencia para la segunda hipoteca tendrá un rango posible desde \$2,000 hasta los \$5,500 dependiendo el tamaño de su familia y los ingresos monetarios de la misma.

#### Para mas información llame:

Horario de la oficina: 8 AM- 5 PM

*Dias laborables*

Fax: (336) 373-2153

Teléfono: (336) 373-4146

**Ciudad De Greensboro**