

# Down Payment and Closing Cost Assistance Available to Eligible First Time Homebuyers

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Even with today's real estate market a buyer's paradise, many first time homebuyers may still find home ownership an elusive dream. For qualified persons, however, the dream can still become reality through the City of Plano's **First time Homebuyers Program**. Offering down payment and closing cost assistance, the program aids first time homebuyers who meet program qualifications.

In order to qualify, a homebuyer must either not have owned a home in the last three years, must be a displaced homemaker who previously owned a home with a spouse, or have lived in a home owned by the spouse. Applicants receiving financial benefits must be a U. S. Citizen or a Temporary/Permanent Resident Alien as defined by federal regulations. Applicants cannot have cash in excess of \$10,000.

Persons who wish to purchase a home and live in Plano must also earn 80% or less of the Dallas area median income by family size to be eligible. The income limits are defined and revised by the U. S. Department of Housing and Urban Development (*HUD*) on an annual basis, and are currently set at the following levels:

Persons in Household	Income Limit
1	\$37,250
2	\$42,550
3	\$47,900
4	\$53,200
5	\$57,450
6	\$61,700
7	\$65,950
8	\$70,200



A residence purchased using City of Plano **Homeownership Financial Assistance Program** funds must be located within the city limits of the City of Plano. Eligible properties include single-family residences that are new or pre-owned and attached or detached dwellings. Only lender-approved insurable properties, including condos and town homes, are eligible. HUD foreclosures are eligible.

The home to be purchased must have a working smoke alarm and may not be located in a flood-prone area. If built prior to 1978, the City is required to conduct a visual assessment of the house for deteriorated paint. If any paint is found to be deteriorated, either inside or outside, the property owner must give the city permission to test the paint for lead. If the paint does not contain lead, or the lead is below acceptable limits, the process may proceed.



The maximum grant amount per household will not exceed \$5,000. The grant can be used to pay 50% of the down payment with the remainder applied toward closing costs. All types of loans are eligible, including VA, FHA, conventional and assumptions.

The assistance is provided as a grant with the homebuyer expected to live in the home for five years. Twenty percent of the amount will be forgiven for each full year the buyer resides in the home. If the home is sold prior to five years, the unforgiven amount will be due at closing.

A key component of the program is mandatory attendance at the **Homebuyers Education Class**. All applicants, spouses and any other person whose income is used to qualify for the mortgage must attend the City of Plano Homebuyer (*continued*)



Education class. Instructors are certified by the Texas Department of Housing and Community Affairs as Homebuyer Education Providers. The class teaches the nuts and bolts of homeownership, including basics on real estate, finance and budgeting, and what to look for before you buy. This class is usually held on the third Saturday of each month at the Plano Municipal Center from 8 a.m. to 3:30 p.m. with pre-registration required.

**To obtain an application, call Terrie Monroe, 972-941-7665. Applications will be taken on a first-come, first-served basis.**