

Homebuyer Assistance Program

Introduction

The City of Greensboro Homebuyer Assistance Program assists low- and moderate-income first time homebuyers purchase a home, to be used as the primary residence, within Greensboro city limits.

Frequently Asked Questions and Answers:

LENDER-RELATED QUESTIONS:

When is the loan forgiven?

A percentage of the original loan amount is satisfied each year that the buyer lives in the home as their principal residence and otherwise complies with the terms of the Note and Deed of Trust. Loans less than \$15,000 are fully forgiven at the end of a full five years; loans \$15,000 - \$20,000 are fully forgiven at the end of a full 10 years. Forgiveness is not prorated for partial years.

What happens if the buyer leaves the property prior to the end of the loan period?

If the buyer moves or transfers ownership within the five to 10 year loan period, the loan balance must be repaid at the prorated amount.

How are program funds applied?

Awarded program funds are applied towards the down payment and closing costs, including home warranties. Buyers cannot receive funds back at closing that exceed verified borrower-paid outside of closing (POC) costs and cannot exceed \$2,500 regardless of amount contributed, from any source. Funds left over at closing will be returned to the City so a principal reduction can be made to the loan amount.

How long does the entire process take for assistance approval to closing?

A minimum of 15 days from application approval. During which time, Housing Consultants Group will conduct the housing counseling session, prepare closing documents, and request the assistance check. Closings should be scheduled after the 15-day period.

Is documentation of marital status required?

Legally separated and divorced individuals must have a recorded agreement with a free-trader clause or a divorce decree. A copy of the agreement or decree should be provided to your lender upon loan application.

What forms must be submitted by the lender to Housing Consultants Group?

Lenders must complete the Housing Connect GSO - Down Payment Application and Affidavit. A checklist is included in the Application Package. Only complete packages will be reviewed.

Does the homebuyer assistance and area bonus require a separate Note and Deed?

No, the City combines the award amounts, creates the Note and Deed of Trust, and cuts the assistance check to be brought to the closing table.

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Is fund layering allowed?

Yes, layering with other subsidy sources is allowed. However, the City's financing cannot exceed 20% of the purchase price.

Can the Loan-to-Value exceed 100%?

No, the Loan-to-Value (LTV) cannot exceed 100%. The combined LTV from all sources for homebuyer financing should not exceed 105% of the appraised value.

Which is acceptable - Automated or Manual Underwriting?

Both are acceptable.

Can out-of-state lenders qualify?

Lenders must have a physical mortgage origination branch/office in North Carolina for at least one year to participate in this program. A lender must attend an information session with the City's contracted program administrator, Housing Consultants Group (HCG), prior to submitting a request for funding. After attending the information session, the lender can be placed on a certified lenders list provided to participants of HCG's monthly homebuyer education class.

What loan types are acceptable?

Buyers must be able to secure a 15- or 30-year fixed rate mortgage (FHA, VA, or Conventional) at market rate.

What is the Mortgagee Clause that should be used?

City of Greensboro
ISAOA/ATIMA
PO Box 3136
Greensboro, NC 27402-3136
Attn: Housing & Neighborhood Development

Who should I contact about the status of a loan or a loan packet?

Call Housing Consultants Group at 336-850-4043 or email hcgconnect@housingconsultantsgroup.org