



Brockton Redevelopment Authority

CITY OF BROCKTON – FIRST TIME HOMEBUYER’S PROGRAM

Down Payment Assistance – Lender Informational Flyer

Our goal is to work with eligible first-time buyers with the purchase of a 1-2 family residential property to increase homeownership in the City of Brockton.

- The City of Brockton through the Brockton Redevelopment Authority (BRA) and NeighborWorks® HOUSING SOLUTIONS (NHS) is offering financial assistance to low-to-moderate income, first-time eligible homebuyers through the First Time Homebuyers’ Down Payment Assistance Loan Program (FTHP Loan). Funding for this program is available under the U.S. Department of Housing & Urban Development’s (HUD) HOME Investment Partnerships Program (HOME). The approval of funding is based on the amount of assistance needed at the closing.
- The FTHP offers funding of up to 3.5% of the purchase price for a maximum of \$10,000 financial assistance through a zero-interest deferred loan, repayable in the event of property transfer of ownership or loan refinancing (except for rate and term of the loan). The funds are subject to availability. Loan payments will be deferred until there is a change in ownership or the property ceases to be the homebuyer’s primary residence.

Below are some highlights of the Program which may be helpful to you in preparation of the closing.

I. Eligibility Criteria:

1. Household income (all sources) must not exceed the following gross annual limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$51,800	\$59,200	\$66,600	\$74,000	\$79,950	\$85,850	\$91,800	\$97,700
80% of Area Median Income Limits Adjusted for Household Size.							
Source: HUD, June 28, 2019							

2. Purchase price for existing homes cannot exceed \$356,000 for a single-family or \$456,000 for a two-family residence; and purchase price for new homes cannot exceed \$401,000 for a single-family and \$513,000 for a two-family residence. Program does not allow for the purchase of condos and three-family residence.
3. Property must be in the City of Brockton, although applicant does not have to be a current resident of Brockton. Local residents are given priority.
4. Applicant and his/her spouse must be a first-time homebuyer;
5. Neither applicant nor his/her spouse can have a deeded interest in any property in the past three years;
6. All household members must be legal residents of the United States in order to receive Federal housing assistance;
7. Neither applicant nor his/her spouse can have more than \$25,000 in cash assets (excluding 401K’s and other retirement accounts);
8. Applicants must qualify for a conventional or government sponsored fixed interest rate mortgage with a lender of their choice*;
9. Applicants must contribute at least 1.5% of the purchase price to the down payment requirement for single family purchases and 2.5% for multi-family purchases;
10. Applicants must be the owner of the property after purchase;

11. Applicants must occupy the property as their principal residence;
12. Applicants must agree to maintain property hazard insurance, make timely property tax payments, and perform general property maintenance and upkeep of the home;
13. Household housing expenses (principal, interest, taxes and insurance) must be between 20% - 38% of total household income for single family purchases and 20% - 35% for multi-family purchases;
14. Household total monthly debt obligations (housing expenses plus other household debt such as credit cards, car loans, etc.) cannot exceed 43% of total household income;
*For a list of local participating lenders please visit <http://www.buybrockton.org/lenders.aspx>

II. HOME Commitment

As soon as you have issued a pre-approval letter to the buyer, the buyer should submit it to NeighborWorks® HOUSING SOLUTIONS (NHS), along with a FTHP Application. Applications can be found here:

https://brocktonredevelopmentauthority.files.wordpress.com/2019/07/2019-fthb-application_july.2019.pdf

Once we confirm the buyer's eligibility, we will issue a conditional pre-approval letter to the buyer and copy you.

III. Loan Documents

A. Below is a list of documents we will prepare for the closing:

1. HOME Mortgage – to be recorded and included on buyer's CD
2. Homebuyer Agreement – to be recorded and included on buyer's CD
3. HOME Note
4. NeighborWorks Mortgage – if additional funds are being provided
5. NeighborWorks Note – if additional funds are being provided

B. Below is a list of items we will need from you *prior to closing*:

1. Loan Application
2. Loan Estimate
3. Commitment Letter
4. Appraisal
5. Closing Disclosure
6. Insurance Binder showing the BRA as 2nd loss payee

C. Below is a list of items we need from you *after the closing*:

1. HOME Promissory Note – original signed copy
2. Fully executed Closing Disclosure

If you have any questions about the program, please contact either of the following:

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