



Home Buyer Assistance Program

HOME BUYER ASSISTANCE INFORMATION AND REQUIREMENTS

The Home Buyer's Assistance Program is designed to assist low-to-moderate income families and individuals wanting to purchase a home on the open market, a HUD repossessed home or one that is "for sale by owner" (FSBO). The Home Buyer Assistance Program is a citywide activity that will be carried out particularly in areas where total household incomes fall below 80% of the median income for Pine Bluff, according to census tract data. Persons wishing to participate in the Home Buyer Assistance Program must qualify according to the regulations for the Department of Housing and Urban Development HOME Program and the City of Pine Bluff requirements. Persons wishing to participate in this program may receive assistance in the form of **\$2,000.00 for down payment and up to \$3,000.00 of eligible closing costs, not including prepaid items for a home on the open market.** The homeowner is responsible for all closing cost over \$3,000.00. **A minimum of \$500 toward the down payment from the buyer is mandatory.** The \$500 is not considered part of the closing cost.

- I. ELIGIBILITY REQUIREMENTS FOR HOME BUYER ASSISTANCE PROGRAM:**
 Eligible persons for this program must be low or low-to-moderate income with a gross annual income that does not exceed 80% HUD, of the median income for Pine Bluff. See the chart below to see if you qualify.

MARITAL STATUS:

If you are separated or have a divorce pending, certain Arkansas Laws may affect your home purchase decision. Please notify or visit with our Loan Processor if this applies to your situation.

II. HOW YOUR ELIGIBILITY IS DETERMINED

ELIGIBLE INCOMES: (Subject To Change Without Notice)

Household Family Size	Maximum Allowable Household Income
1 Person Household	25,550
2 Person Household	29,200
3 Person Household	32,850
4 Person Household	36,500
5 Person Household	39,400
6 Person Household	42,350
7 Person Household	45,250
8 Person Household	48,200

This information is updated yearly by Department of HUD

NOTE: TOTAL ANNUAL INCOME MUST include income of all persons in the household and all monies received on a one-time basis. Other types of income include SSI, AFDC, Child Support, Unemployment, Life Insurance Benefits, Retirement Benefits, etc.

III. **DEFERRED LOAN**

The assistance you are requesting is a five (5) year or sixty- (60) month *DEFERRED LOAN* that will be secured by a second mortgage. This five-year period is also known as the eligibility period. The maximum assistance under the Home Buyer Assistance Program is \$5,000 at 0% interest on the open market and \$10,000 for the Turtle Creek Subdivision with a 20-year affordability period. The *Deferred Loan* received will not have to be repaid from the City of Pine Bluff unless you sell, transfer, bargain, refinance your loan, or otherwise dispose of the property, or breach any other form of the Mortgage Agreements, within a five (5) year period from the date you close the loan. In the case that one of the above occurs, you may be required to repay the unused principal portion or remaining balance owed on the deferred loan. Our Subordinate Mortgage will be released when the affordability period is over or paid off if required. As an applicant you will be required to sign a disclosure notice stating you understand the assistance you are receiving and the conditions that will apply.

IV. **ELIGIBLE PROPERTY TYPES:**

As a buyer you must remain the occupant of the home as your main place of residence, this is known as “owner occupied”. Any single-family home or duplex serving as your main residence is considered eligible property. Property must be located within the city limits of Pine Bluff and must be able to be occupied immediately upon purchase without required additional repairs. There will be a minimum of two inspections done on the property that you choose. An appraiser hired by you through your lender, a person from our office at no cost, and/ or a home inspector if you hire one, will complete a written inspection report of the home. Often times these reports may overlap in repairs. If items identified to be replaced or repaired on the home you want to purchase, either the seller or buyer must complete them prior to buying the home.

Purchase Price \$64,000 or Less

If the HUD income guidelines can be met according to your family size and you are approved for the balance, you may qualify for our assistance to purchase a home. This may include homes on the open market, one *for sale by owner (FSBO)*, HUD and bank repossession.

Purchase Price Between \$64,001 and \$70,000

You may be eligible to purchase a home up to \$60,000 if your income and family size meets our HUD income guidelines. For a home to qualify for this price range it must be newly constructed or **less than 13 months old**. The home must be completed by the time the permanent loan is closed.

New construction will also qualify for these funds but will have a 20-year affordability period. Repayment of funds from this office does not require repayment unless the borrower breaks the agreement between the mortgage company or change ownership during the affordability period.



There are many qualified buyers who want to purchase a new home. Economic and Community Development has made this possible with homes being built in the Turtle Creek Subdivision extending three blocks east on E. 10th Street. The location is east of the Pine Bluff Convention Center's parking lot beginning at 10th & Virginia Streets east to Kentucky Street. The homes will have double car garage, privacy fenced backyard, alarm system, dishwasher and built-in microwave as optional amenities. Qualified buyers can purchase an existing home or have one built to suit their needs. House size varies and comes in both 3 and 4 bedrooms and two full bathrooms.

If persons can obtain financing but need additional funds for down payment and closing cost and qualify under our Home Buyer Assistance Program he/she can receive up to \$10,000 in assistance. This is based on their income and need, funding \$8,300 toward your down payment and \$1,700 toward eligible closing cost expenses may be used to reduce the financed amount. The program operates like our regular Homebuyer Assistance Program with the two exceptions; the amount of assistance and the affordability period of 20 years instead of five years. This program can work in conjunction with other assistance programs such as the Good Faith Fund Individual Development Account (IDA), sweat equity programs, or similar and is contingent upon approval from your lender and our office prior to purchase.

These homes will not be leased or rented. Most home loan payments are anticipated to be *\$500 and up, depending on loan amount and interest rate received by the buyer(s). A protective covenant must be agreed and maintained by all who purchase these homes. The agreement is between all homeowners to uniformly maintain value of the property, only allow certain types of construction rather homes or additional structures on the property, and neighborhood values that create harmony between neighbors.

* Based on principle loan of \$83,500 at 6% interest for 30 years.

V. NON-ELIGIBLE PROPERTY TYPES:

Homes that are not eligible would be one that DO NOT conform to City Housing Codes; is located out of the city limits; sub-leased or owner-financed properties and any home that is not site built and mobile homes. A home that needs repairs that cannot be complete before the buyer purchases the home.

VI. FINANCING THE BALANCE:

The Community Development Homebuyer Assistance Program funding can be used in conjunction with secondary market financing only with Community Development’s approved low-to-moderate income Home Ownership Program offered by the following:

Simmons 1st National Bank 870-541-1000	Pine Bluff National Bank 870-535-7200	Pinnacle Funding 888-221-0157
Pulaski Mortgage 501-661-7889	Hope Mortgage 888-343-4673	PB Cotton Belt Federal Credit Union Co. 870-535-6365
The Carroll Mortgage Group 501-228-9797	Premier Mortgage Funding 870-247-8500	B’s Mortgage Company 870-536-0858

Your Lender MUST notify the Community Development Office a minimum of four (4) days before setting a closing date to allow the final inspections and funds to be obtained. Secondary market loans, such as FHA, VA, and Conventional, may also be financing options.

FINANCING ARRANGEMENTS AND CREDIT ELGIBILITY ARE SOLELY AT THE DISCRETION OF THE LENDER. B and C loans do not apply using this program.

VII. PREFERRED SEQUENCE OF STEPS TO BE FOLLOWED:

1. Make an appointment with the Department of Economic and Community Development to complete Homebuyer Assistance application by calling 543-1820. You must bring a Picture ID of applicant(s), Social Security Card, Two (2) current pay stubs or Past Two Years W-2 forms, and rent receipt, if currently renting. The address is 200 E. 8th Ave. City Hall, Room 103 Monday – Friday between 8:00 A.M. – 5:00 P.M.
2. If housing counseling is needed, please see our Loan Processor for details.
3. Work with a local real estate agent in finding a home or get prequalified by a lender.
4. Apply for a loan at one of the approved Lending Institutions listed in Section VI.
5. Provide a copy of your loan documents to Economic and Community Development so we may schedule an inspection and process the completion of your loan application.
6. Once all eligibility requirements are met a representative from Economic and Community Development will bring our portion of your closing cost and down payment to the closing (the day you sign the papers to buy your home).