

LOAN SECURITY AND REPAYMENT

The Home Buyers program provides an interest free deferred loan **up to \$10,000 secured by a Mortgage and Deed Restriction payable to the County of Gloucester** when triggered by transfer of title or any vehicle to gain equity from the property.

During the initial five (5) year Affordability period 100% of the loan must be repaid if conditions are triggered; There is an extended period of affordability where 1/5 of the loan will be forgiven annually for the next 4 year period.

Thereafter, the County will require 1/5 repayment should the owner transfer, sell, refinance obtain a reverse mortgage or utilize any vehicle to obtain cash against the equity of the property. The property must be maintained as the owner's primary residence and annual certification is required during the affordability period.

APPLICATION PROCEDURE

Applications are available through the Gloucester County Department of Economic Development, Division of Housing and Community Development.

Upon receipt of the application, applicants must contact the Program Manager to determine funding availability and review program requirements.

Once the applicant has completed the application, received all mortgage approvals, sale agreements, and other supportive documentation, the applicant will be required to contact the Program Manager for an in office appointment to submit all documents.

MISSION

Funded by the US Housing and Urban Development (HUD) HOME Investment Partnership Program, the Gloucester County Homebuyer Assistance program provides no-interest deferred loans up to \$10,000 for down-payment and closing cost assistance. The program is intended as a means of stabilizing property values and overall quality of life in targeted neighborhoods throughout the County. The major objective of the Homebuyer Assistance Program is to increase the supply of affordable housing for low-moderate income families.

Gloucester County understands that down-payment and closing cost assistance can make homeownership a reality for many who otherwise might not be able to secure the means to homeownership. By providing assistance with down payments and closing costs, Gloucester County can :

- Increase the supply of affordable housing;
- Stabilize property values and create a balance between rental and ownership stock in certain neighborhoods; and
- Help renters who have steady incomes but cannot make the leap to ownership because they lack the needed lump sum to cover closing and down payments costs.

Gloucester County

Board of County Commissioners

Robert M. Damming, Director

Heather Simmons, Commissioner



FIRST TIME HOMEBUYER DOWNPAYMENT AND CLOSING COST ASSISTANCE PROGRAM

**DIVISION OF HOUSING &
COMMUNITY DEVELOPMENT**

**DEPARTMENT OF ECONOMIC
DEVELOPMENT**



Telephone: 856-307-6650

Fax: 856-307-6656

BORROWER ELIGIBILITY

- The Applicant household must meet household size and income limits as published by HUD. A household includes all persons living in the home regardless of blood relation, marriage or other circumstance.
- Annual Income calculation is the gross amount of income for all adult household members that is anticipated to be received during the coming twelve (12) month period.
- Any low-moderate income household that has not owned a home in the past three (3) years except with issues related to health, safety and welfare of a family is reviewed on a case by case basis, i.e., displaced homemakers and loss of primary residence due to natural disasters.

ELIGIBLE PROPERTIES

Eligible property types include any property that will serve as the purchaser's principal residence. **ALL PROSPECTIVE PROPERTIES MUST BE LOCATED IN A MUNICIPALITY OF GLOUCESTER COUNTY.** Eligible housing types include: Single Family (one unit) homes; Manufactured Housing; and Condominium units.

Properties must be free of deficiencies identified in HUD Uniform Physical Condition Standards (UPCS) and must meet all local codes, standards, zoning or other ordinances.

INCOME ELIGIBILITY

Eligible applicants are households that do not exceed 80% the median income adjusted for family size at the time of purchase as determined by HUD annually. A household are all persons living in the home regardless of blood relation, marriage or other circumstance.

2020 HUD Income Limits

HH size	HH income	HH size	HH income
1	\$54,150	5	\$83,500
2	\$61,850	6	\$89,700
3	\$69,600	7	\$95,900
4	\$77,300	8	\$102,050

Household income is defined as the total income of all household members (except children under age 18 or full time students).

- 1) Annual household income is based on the gross income from all sources for all household members, excluding those mentioned above, for the most recent year for which a US Internal Revenue Service Form 1040 is available. In addition, all current income must be documented to fulfill eligibility requirements.
- 2) Annual household income shall include:
 - a) *The gross amount of all wages, salaries, recurrent overtime, commissions, fees, capital gains, tips and bonuses;*
 - b) *Interest and dividends;*
 - c) *The full amount of recurrent periodic payments received from Social Security, pensions or other similar annuities;*
 - d) *Periodic public assistance payments, alimony, child support, and any other payments or contributions which are received on a recurrent basis and which may be reasonably expected to continue.*

MAKING SETTLEMENT

Settlement dates must be made forty-five (45) days in advance to complete the funding process in a timely matter.

All funding requests must be approved through a resolution process by the Gloucester County Board of Commissioners.

Applicants must:

- Be an eligible borrower
- Submit a completed home buyer application
- Qualify for a first mortgage from an approved conventional lender; Lenders are to provide thirty (30) year fixed rate mortgages. Lenders are encouraged to provide below market rate loans with zero (0) points. The County First Time Home-buyer Program will not approve loans that are not fixed, or exceed thirty (30) years. Mortgages may not exceed a Loan to Value Ratio (LTV) of 97%.
- Commit a minimum of 3% of the purchase price out of their own funds toward the down payment.
- Have no more than 20% of the purchase price in liquid assets. Liquid assets include but are not limited to savings accounts, checking accounts, stocks, bonds, and retirement accounts in accordance with IRS regulations. Any assets above the 20% limit must be applied toward the purchase price of the home.
- Complete and be certified in an 8 hour HUD approved Homebuyer education course.

The County of Gloucester complies with all state and federal rules and regulations and does not discriminate on the basis of race, religion, color, national or ethnic origin, sexual orientation, age, marital status or disability in admission to, access to, or operations of its programs, services, or activities. In addition, Gloucester County encourages the participation of people with disabilities in its programs and activities and offers special services to all County residents 60 years of age and older. Inquiries regarding compliance may be directed to the Division of Disability Services at (856)384-6842/New Jersey Relay Service 711 or the EEO office at (856)384-6903.