

Pitt County Community Development Down Payment Assistance Program



Overview

- The HOME Down payment Assistance Program is designed to assist potential low income, first-time homebuyers with down payment assistance to purchase a home in Pitt County. A no interest forgivable loan of up to \$2,500 may be available to qualified borrowers meeting program guidelines.



Overview

- Assistance will be in the form of a secured no interest loan, forgiven by 1/5 of the original principal balance on an annual basis for the 5-year recapture period. This program is funded with Pitt County HOME Consortium funds.



Features & Benefits

- **Eligibility:** Applicants must be qualified as first-time, low income (50% or less of area median) homebuyers. Qualified buyers are to meet credit, employment, loan to value and income debt standards established by Pitt County and the mortgage lender. The funds can be used for the purchase of a single-family dwelling, condominium, or townhouse located within Pitt County. Funds cannot be used for the purchase of a manufactured home. Buyers must satisfactorily complete a homeownership education program, present certificate of completion and pre-qualify with a mortgage lender. Buyers must occupy dwelling as their primary residence.



Features and benefits:

- Location & Price:

Home must be located in Pitt County and meet Pitt County minimum housing standards. For homes priced under \$50,000.00, the maximum loan is up to \$1,000.00. For homes priced \$50,000.00 and up, the maximum loan is up to \$2,500.00. Maximum sales price for down payment assistance is \$150,000.00 for an existing home or new construction.



Features and benefits:

- Minimum Investment:
 - \$250.00 plus closing cost for a \$1,000.00 grant, and
 - \$500.00 plus closing cost for a \$2,500.00 grant
- Closing cost may be paid by buyer, seller, or through other available county funds.
- Security: A Deed of Trust in the amount received will be recorded taking a second position. (No less than a third position if using other County funds.)



Features and Benefits

- Other: Applicant must pre-qualify with a lending institution before applying for down payment/ closing cost assistant with Pitt County. Applicant must provide a signed copy of the Lender's Good Faith Estimate (GFE) with all fees disclosed, the interest rate and terms of loan. Mortgage lenders used for financing on the first mortgage must include escrows as part of their package. Mortgage lenders must be a participating NCHFA lender.



Features and benefits:

Unacceptable First Mortgage Products:

- * Loans with owner financing as part of the structure are not acceptable.
- * All loans to borrower must be cost effective. Interest rates should be at market rate or less with no loan discount points, loan origination fee should be 1% or less and all loan fees should be normal and should not exceed market rate.
- * First mortgage loan products that balloon prior to 30 years, adjustable rate mortgages, buy-down or step mortgages, loans with less than 20 year terms and loans with call options should not be considered as acceptable programs for borrowers requesting Pitt County Down payment / Closing Cost Assistance Programs



Requirements

- ***Low income is defined by the U.S. Department of Housing and Urban Development (HUD) and refers to households with income at or below 50% of area median for Pitt County, NC. (These percentages are adjusted each year and are based on household size. Staff will determine your income percentage.)**
- ***First Time Home Buyer is a homebuyer not having owned a home in the past 3 years.**



Availability

- Funds are on a first come first served basis according to availability.



FOR MORE INFORMATION CONTACT:

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