



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	\$33,750
2 Person Household	\$38,550
3 Person Household	\$43,350
4 Person Household	\$48,150
5 Person Household	\$52,050
6 Person Household	\$55,900
7 Person Household	\$59,750
8 Person Household	\$63,600

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. 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.

If the home is newly constructed and the home was built using HOME Investment Partnership funding, the affordability period will be 20 years regardless of the amount of assistance by the City.

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 Up to \$150,000

If the HUD income guidelines can be met according to your income and household size and you are approved for a loan, 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. The maximum assistance is \$5,000.

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 870-541-1471	Relyance Bank 870-535-7200	Pinnacle Funding 888-221-0157	First Security Bank 501-280-3533
Iberia Bank 501-537-8400	PB Cotton Belt Federal Credit Union 870-562-6365	The Carroll Mortgage Group 501-228-9797	Bank of America Home Loans 501-224-4063
NACA 501-687-2960	Bank of England Mortgage 501-687-2265	Mortgage Financial Services 501-472-8109	National Bank of Arkansas 501-221-3606
	Hope Credit Union 901-354-7475	FBT Bank & Mortgage 870-879-6200	

Your Lender **MUST** notify the Economic and 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.

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, Three (3) current pay stubs or Past Two Years W-2 forms, and rent receipt, if currently renting. The address is 716 S. Georgia Street Monday – Friday between 8:00 A.M. and 5:00 P.M.
2. Housing Counseling is a mandatory requirement. Please contact our Loan Processor for details.
3. Work with a local real estate agent in finding a home or get pre-qualified 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 that 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 the portion for closing cost and down payment to the closing (the day you sign the papers to buy your home).



City of Pine Bluff Economic and Community Development Department

Home Buyer Assistance Program

PRE-APPLICATION CHECKLIST

1. Photo ID of Applicant(s)
2. Social Security Cards (for each household member)
3. Proof of Income (for all applicable members of the household)
 - Check Stubs (three months)
 - Retirement Account Statements (most current period)
 - Investment Account Statements (most current period)
 - Most Recent Tax Return or Tax Transcript
 - Most Recent Bank Statement(s) (two months)
 - Social Security Benefit Letter(s)
 - Child Support Documentation (for dependant in the application)
 - DHS Benefits Letter(s)
 - Other Income Documents
4. Pre-Approval/Pre-Qualification Letter from a Participating Lender
5. Certificate of Completion of Housing Counseling
6. Rent Receipt (if Renting) or Mortgage Statement
7. Signed “Notice to Homebuyer” Document
8. Completed Household Budget
 - a. Either budget completed during Housing Counseling
 - b. Or Enclosed Budget Form