



*City of Pine Bluff Economic and
Community Development Department*

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 up to **\$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 not covered by the assistance. **A minimum of \$500 toward the down payment from the buyer is mandatory.** The \$500 is not considered part of the closing costs.

I. ELIGIBILITY REQUIREMENTS FOR HOME BUYER ASSISTANCE PROGRAM:

Eligible persons for this program must be a low-to-moderate income household with a gross annual income that does not exceed 80% the area median income of Pine Bluff as determined by HUD. 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	\$29,500
2 Person Household	\$33,700
3 Person Household	\$37,900
4 Person Household	\$42,100
5 Person Household	\$45,500
6 Person Household	\$48,850
7 Person Household	\$52,250
8 Person Household	\$55,600

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 by household members. Other types of income include SSI, AFDC, Child Support, Unemployment, Life Insurance Benefits, Retirement Benefits, etc.

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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 affordability period. The maximum assistance under the Home Buyer Assistance Program is \$5,000 at 0% interest. The *Deferred Loan* received will not have to be repaid to 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 the 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 remaining balance owed on the deferred loan. Our Subordinate Mortgage will be released when the affordability period is over or the mortgage is paid off (if required). As an applicant you will be required to sign the enclosed disclosure notice stating you understand the terms of the assistance you are requesting and the conditions that will apply. If you have any questions about these terms, please contact a Loan Processor in our department.

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 an 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 by our office. In addition to this inspection, an appraiser hired by you through your lender and/or a state-licensed home inspector (if you hire one) will also complete a written inspection report of the home. Often times these reports may overlap in identifying needed repairs. If there are items identified in these reports that must be replaced or repaired on the home you have selected, either the seller or buyer must complete them prior to buying the home.

Purchase Price Limits

If you meet the HUD income guidelines and you are approved for a loan, you may qualify for our assistance to purchase a home up to \$150,000, if approved by our program. The limit may be adjusted based on an affordability assessment required by HUD.

V. **NON-ELIGIBLE PROPERTY TYPES:**

Homes that are not eligible include: (1) ones that DO NOT conform to City Housing Codes; (2) homes located outside of the city limits; (3) homes that are sub-leased or owner-financed properties, (4) any home that is not site built (including mobile homes); (5) a home in need of repairs that cannot be completed before closing.

VI. **FINANCING THE BALANCE:**

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The Community Development Homebuyer Assistance Program funding can be used in conjunction with secondary market financing only with following list of approved lenders:

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	

FINANCING ARRANGEMENTS AND CREDIT ELGIBILITY ARE SOLELY AT THE DISCRETION OF THE LENDER.

VII. PREFERRED SEQUENCE OF STEPS TO BE FOLLOWED:

1. Complete enclosed the Pre-Application Checklist, which includes all documentation needed to complete the Homebuyer Assistance Program application. Housing Counseling is a mandatory requirement. Please contact our Loan Processor for more information.
2. Make an appointment with the Department of Economic and Community Development to complete Homebuyer Assistance application by calling 543-1820. The address is 716 S. Georgia Street and office hours are Monday – Friday, 8:00 A.M. to 5:00 P.M.
3. After receiving a Notice of Eligibility and Conditional Approval Letter, you may work with a local real estate agent in finding a home.
4. Provide a copy of your fully executed Real Estate Contract (via your realtor, if applicable).
5. Once all requirements are satisfied and final approval is issued by our department, a representative from Economic and Community Development will bring the portion for closing costs and down payment to the closing agent (the day you sign the papers to buy your home).

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