

# **CITY OF MUSKEGON**

## **Community & Neighborhood Services**

### **Homebuyer's Assistance Program**

The Homebuyer's Assistance Program is down payment and closing cost assistance for any income eligible homebuyer wanting to purchase a house located in the City of Muskegon.

**Targeted Beneficiaries:** Families at or below the 80% of Area Median Income (AMI).

**Targeted Area:** The City of Muskegon.

**Assistance Limit:** Assistance is no less than \$1,000 and no more than \$5,000 and may assist with points, down payment, closing costs, inspections and prepaid expenses.

**Home Standards:** Termite and Home Inspections are required and the home must pass local inspections standards.

#### **Minimum Application Requirements:**

1. Applicant must be able to obtain a mortgage from a lending institution.
2. Applicant's total household income must be included, according to the current income limits provided by HUD, the adjusted gross income calculation and the eligibility limit of 80% AMI.
3. Applicant must complete homeownership class prior to purchase.
4. Cash sales/condominiums/land contracts are not eligible.

For further detailed information, go to: [www.shorelinecity.com](http://www.shorelinecity.com), Community and Neighborhood Services Department, Home Buyer Assistance Program or, contact:

Community and Neighborhood Services office at (231)724-6717.

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## **Homebuyers Assistance Program Procedures**

- 1.** An application along with a Loan Estimate (LE), buyer's signed Income Tax Return from previous year, three months of bank statements and check stubs for buyer and any other person(s) living with the buyer, along with Purchase Agreement (PA) and Driver's License of buyer, must be turned into CNS.
- 2.** The application and supporting documents will be reviewed by CNS and a decision will be made within two working days, if applicant is eligible or not eligible for the assistance through the Income Eligibility Calculator.
- 3.** The decision (Conditional Homebuyer Assistance Grant Approval) will be written and given to the lender.
- 4.** If the homebuyer(s) is determined to be eligible, then the buyer will need to attend a Homebuyer's class and receive a Homebuyer's certificate.
- 5.** The home will have a Termite and Home inspection and must pass local inspections standards. An Appraisal is also required.
- 6.** A lead inspection will be processed on homes built before 1978 and the report will be provided to the new buyer(s). Unless there is an existing Lead Inspection Report.
- 7.** After receiving the Homebuyer's Class Certificate, as well as required inspections and appraisal, CNS will have two business days to process the requested assistance amount that will be transferred via ACH (Automated Clearing House) to the title company upon day of closing.
- 8.** The assistance will place a non-diminishing, 5-year lien on the home. Homebuyer(s) must occupy the home, as their primary residence, for a minimum of five years. After five years, the loan is forgiven. If the home is sold or occupied by renters within five years, the whole assistance amount given will be immediately due.
- 9.** Subordination of lien will not be considered.

# Homebuyer's Assistance Program Check List

Buyer: \_\_\_\_\_

Address: \_\_\_\_\_

Realtor: \_\_\_\_\_

Mortgage Co.: \_\_\_\_\_

Title Company: \_\_\_\_\_

\_\_\_ **Application**

\_\_\_ **Buyer(s) last 3 months of check stubs**

\_\_\_ **Income Eligibility Calculation (staff)**

\_\_\_ **Buyer(s) Signed Income Tax Return from previous year**

\_\_\_ **Bank Statements**

\_\_\_ **Loan Estimate**

\_\_\_ **Purchase agreement**

\_\_\_ Down payment calculation sheet

\_\_\_ Conditional Homebuyer Assistance Grant Approval Letter

\_\_\_ Termite Inspection

\_\_\_ Home Inspection

\_\_\_ Appraisal

\_\_\_ Homebuyer's Certificate

\_\_\_ Re-inspection Verification

\_\_\_ Lead Inspection

\_\_\_ Closing Disclosure-CD

Homebuyer's Affordability Agreement \_\_\_

Mortgage \_\_\_

Promissory Note \_\_\_

General Property Information \_\_\_

Lead Inspection Guarantee Letter \_\_\_

Communications \_\_\_