



CITY OF FORT LAUDERDALE **FIRST TIME HOME BUYER/ PURCHASE ASSISTANCE** **PROGRAM GUIDELINES**

The City of Fort Lauderdale implemented First Time Homebuyer/Purchase Assistance Program (PA), with a goal is to make homeownership more affordable. The program is designed to bridge the gap between home prices and what very low and low-income homebuyers can afford. Income guidelines are based on the total gross income from every source, for everyone in the household.

The City of Fort Lauderdale's loan is a zero-interest deferred second mortgage behind the lenders first mortgage (unless additional subsidy requires second position). It provides financing to qualified homebuyers who are purchasing eligible properties within the limits of the City of Fort Lauderdale. The successful homebuyers are required to own and occupy the property as their primary residence. During the fifteen (15) year loan term, no payment is due as-long as the borrowers fulfills the City's Purchase Assistance guidelines. However, the entire loan amount becomes due if the property is leased, sold, title transferred, or is no longer the borrower's primary residence before the end of the fifteen (15) years.

The PA program offers a no interest, deferred-forgivable, fifteen (15) year loan to assist with down payment, closing costs (including escrow items), and/or principal buy down. The PA provides assistance of up to **\$75,000.00** for eligible properties with a selling price of no more than **\$259,900.00.** The loans are approved on a "first come, first qualified, first served basis".

Application Process:

All borrowers are required to select and work throughout the entire process with a pre-screened HUD-certified non-profit agency. Borrowers are required to attend an intake interview and informational session before making application. Applications are submitted directly to the non-profit agency for the City's program. The non-profit agency will schedule the intake interview and informational session in a conference setting. The non-profit agency is compensated \$1,500 for conducting the income certification, coordination of the real estate transaction with the lender, realtor, title company and City, and various services performed by the non-profit agency throughout the intake, eligibility and closing process. This fee will be paid from the City's 2nd mortgage loan at the time of closing directly to the agency. It is to be shown on the HUD-1 statement as a "Developers Fee".



DEPARTMENT NAME – CMO HOUSING & COMMUNITY DEVELOPMENT FIRST TIME HOME BUYER/PURCHASE ASSISTANCE PROGRAM GUIDELINES

Rev: 1 | Revision Date: 07/09/2019

Lender

- The Lender is expected to provide clients with favorable rates (fixed rate), charges, costs and fees commensurate with the tenet of Affordable Housing and CRA lending practices.
- The maximum purchase price of the property shall not exceed \$259,900.
- The first mortgage shall be for a term no longer than 30 years.
- The first mortgage will be at a uniform fixed interest for comparable first mortgage products.
- Lender is required to provide the City with appropriate loan processing documentation, including copies of three credit reports (preferably from all 3 agencies) for all applicants.
- Hazard, flood, and windstorm insurance policies are required as deemed necessary and must insure the property for an amount sufficient to cover each lender's interests, including the City's.
- Property taxes and insurance must be escrowed for annual payment for the life of the loan.
- Property must pass full home inspection (which includes roof, termite, electrical, structural, and plumbing) prior to closing. No unpermitted construction work is allowed.
- Homes with swimming pool are allowed if monthly pool maintenance fee included in back end ratio.

Debt To Income Ratios: **Minimums:** Front End = 25%; Back End = 35%
Maximums: Front End = 35%; Back End = 45%

HUD-Certified Housing Counseling/Intake Agencies:

The non-profit agency is responsible for explain and assist the applicant through the process, from application to closing. The non-profit agency will act as advocate and advisor throughout the entire process, also act as the liaison between the applicant, the lender, the title company, and the City.

The City currently works with three (3) non-profit agencies that provide these services to the client:

- **Housing Foundation of America** (954) 923-5001; hfamarilyn@gmail.com
- **Oasis of HOPE CDC** (954)586-1283 www.oasiscdc.org
- **Debt Management Credit Counseling** 1-866-724-3328, enith@dmconline.org



DEPARTMENT NAME – CMO HOUSING & COMMUNITY DEVELOPMENT FIRST TIME HOME BUYER/PURCHASE ASSISTANCE PROGRAM GUIDELINES

Rev: 1 | Revision Date: 07/09/2019

Eligible Borrowers:

1. Borrowers must be first time homebuyers, meaning they have not owned a residential property within the past three years.
2. At the time of application, borrowers cannot own any other real property.
3. Households total income must be at or below 80% of the Broward County median income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development (HUD).

Income Limits for 2021

Maximum Annual Gross Aggregate Income

Fort Lauderdale, Florida FY 2020 Income Limits			
HH Size	Max Income	HH Size	Max Income
1	\$49,300	5	\$76,050
2	\$56,350	6	\$81,700
3	\$63,400	7	\$87,300
4	\$70,400	8	\$92,950

Income Calculations:

1. The combine gross income, from every source, of all persons in the household over the age of 18 will be used to confirm the income eligibility of the borrowers.
2. The combined gross income of all borrowers must be included in the income calculation for the first mortgage loan from an approved lender.
3. All households must be income-certified no more than 180 days prior to closing.
4. Debt-to-Income Ratio ranges are minimum 25/35 and maximum 35/45. **NO** exceptions will be made the City's program requirement.
5. Monthly housing obligations including principal, interest, homeowner's association dues, mortgage insurance, and all required escrow items cannot exceed thirty-five percent (35%) of the household gross monthly income. (Front End Ratio)
6. Total monthly debt including housing cost and all other liabilities shall not exceed forty-five percent (45%) of the family's gross income. (Back End Ratio)



DEPARTMENT NAME – CMO HOUSING & COMMUNITY DEVELOPMENT

FIRST TIME HOME BUYER/PURCHASE ASSISTANCE PROGRAM GUIDELINES

Rev: 1 | Revision Date: 07/09/2019

Eligible Properties:

1. Eligible properties include single-family homes, town homes, or condominiums located in the city limits of Fort Lauderdale.
2. Properties being sold “As-Is” will not be considered. All repairs must be done prior to closing, or the estimated cost of repairs will be escrowed by the seller and distributed to the Contractor only when the work is completed.
3. The maximum purchase price cannot exceed \$259,900.00

Down Payment:

Borrowers are required to have sufficient funds available to cover one percent (1%) of the purchase price or \$1,000.00 (whichever is higher) towards the down payment or a higher amount if required by the lender.

Loan Amount:

Qualified borrower will receive a second mortgage from the City of up to \$75,000 for existing properties. When necessary, the City’s funding may be in the form of a third mortgage.

Interest Rate:

1. The borrower shall obtain a fixed rate loan from a participating lender.
2. The interest rate on the principal amount of the City’s loan shall be zero percent (0%) per annum.

Loan Term:

1. The loan term shall not exceed 30 years.
2. Payments on the principal amount of the City’s loan shall be deferred so long as the property is occupied as the principal residence of the Homebuyer.
3. The City’s loan will be satisfied at the end of fifteen (15) year term.

Loan Commitment:

1. This program is offered on a first-come, first-qualified, first-served basis.
2. Funds are subject to availability.
3. Loan closing date should be scheduled after the City completed the required internal process including completion and approval of legal documents.

Assumable Loan:

If the property transfers to legal heirs who are income-eligible, the loan may be assumable, under the original terms and conditions, with approval by the City.

Required Escrow Items:

Borrowers are **required** to escrow money for all real estate taxes and homeowner’s insurance for the eligible property.



DEPARTMENT NAME – CMO HOUSING & COMMUNITY DEVELOPMENT FIRST TIME HOME BUYER/PURCHASE ASSISTANCE PROGRAM GUIDELINES

Rev: 1 | Revision Date: 07/09/2019

Inspection:

A full Housing Quality Standard inspection shall be conducted by the City and pass prior the home is purchased. All items identified on the inspection as needing repairs must done prior to closing and reinspection completed by the City to verify.

Participation Agreement:

The entire Participation Agreement, which will be signed by the borrower(s), will be considered as part of these guidelines.

For additional information on program guidelines contact:
Avis A. Wilkinson, Housing Programs Supervisor (954) 828-4513.

City of Fort Lauderdale
Housing & Community Development Division
914 Sistrunk Blvd, Ste 103
Fort Lauderdale, FL 33311
(954) 828-4527 - Main
(954) 847-3754 - Fax

Revised 04/19/2021