



City of Vinton Homebuyers Assistance Program

Eligibility Guidelines & Requirements

The applicant must have an annual (gross) household income that does not exceed eighty percent (80%) of the current area median income (AMI), based on the applicant's household size, and purchase an eligible home that will serve as their primary residence for at least 5 years. Applications will be processed on a first-come, first-accepted basis. In order to be accepted, applications must be complete.

FORM OF ASSISTANCE

- Assistance of up to \$24,999 may be provided to eligible applicants for the following costs of purchasing a home:
 - Up to 50% of the down payment required by the lender
 - Closing costs of up to \$3,500
 - Property inspection fee not to exceed \$350

ELIGIBLE PROPERTY LOCATIONS

- Homes within the municipal boundaries of the City of Vinton.
- Properties must be located outside of the 100-year flood plain.

ELIGIBLE PROPERTY TYPES

Eligible property types include any property that will serve as the homebuyer's principal residence including:

- Single family property (one unit)
- A condominium unit
- A cooperative unit or a unit in a mutual housing project so long as recognized as homebuyer by state law
- Newly constructed homes are eligible provided construction is complete prior to closing.
- A manufactured home
 - The age is 1976 or newer;
 - Permanently affixed to a site-built, permanent foundation and has had its towing hitch and running gear (including tongues, axles, brakes, wheels, lights and any other parts of the chassis that operate for the purpose of transportation) removed;
 - Installed on land also owned by the potential property owner to be assisted
 - Dwelling and site is taxed as real estate (real property) by the community.

ELIGIBLE TRANSACTIONS AND LOAN CRITERIA

- Homebuyer must secure a mortgage from an accredited financial institution.
- The mortgage loan must be a fixed rate mortgage with a term between 15-30 years, with no balloon payments due.
- Funds may not be used to assist contract purchases.
- Post-purchase, the homebuyer must be paying no more than 30% of their income toward housing costs, inclusive of mortgage, insurance, property taxes, HOA fees, and utilities.



PROPERTY STANDARDS

All assisted properties must meet either the local jurisdiction's housing code or Iowa's Minimum Housing Rehabilitation Standards (IMHRS). Any repairs identified in order to comply with local codes and property standards must be completed prior to closing. Costs for such repairs are outside the scope of this program and should be handled as a negotiation between the home seller and the homebuyer.

LEAD SAFE HOUSING

This program is impacted by HUD's Lead Safe Housing Regulations. HUD's Lead Safe Housing Regulations apply to all residential property constructed prior to January 1, 1978 being assisted with HUD funds. A limited amount of funding is available and may be used to address lead-based paint hazards identified in the home, as identified by ECIOG's Housing Inspector and subject to ECICOG's approval.

PROPERTY VALUES

All homebuyer assistance requires a full Uniform Relocation Act (URA) compliant appraisal conducted by a licensed appraiser and inspection conducted by ECICOG's Housing Specialist. The purchase price must be supported by an appraisal conducted by a licensed appraiser.

FORGIVABLE MORTGAGE & LONG-TERM AFFORDABILITY

A mortgage secured through a receding forgivable loan will be recorded at the time of closing. The receding forgivable loan is technically a conditional grant, whereby; the full amount of the receding forgivable loan is completely waived (or released) over time. Each year, 20% of the loan is forgiven over a 5-year period. The conditional part of this form of assistance is that the property assisted with program funds must remain the assisted property owner's principal place of residence for the affordability period (5 years) in order to be fully forgiven. If the assisted property is sold or otherwise transferred at any time during the affordability period, repayment of the principal amount, based on an affordability period schedule, is immediately repayable to IEDA.