



GREEN BAY

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Green Bay, WI 54301
920.448.3075

www.nwgreenbay.org

Down Payment & Closing Cost Assistance Programs & Primary Mortgage Lender Guidelines

Lending and Housing Counselors

To schedule your counseling appointment please call (920) 448-3075

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NEIGHBORWORKS® GREEN BAY OFFERS SEVERAL DOWN PAYMENT AND CLOSING COST ASSISTANCE PROGRAMS FOR PURCHASE TRANSACTIONS OF A SINGLE FAMILY RESIDENCE AND/OR A TWO UNIT RESIDENCE OR CONDOMINIUM. IN ALL CASES THE PROPERTY BEING PURCHASED MUST BE OWNER OCCUPIED. THE FOLLOWING IS A LIST OF GENERAL REQUIREMENTS REGARDLESS OF THE PROGRAM BEING USED FOR ASSISTANCE:

- All program funds are subject to availability. Please ask a housing counselor for fund balance.
- Buyer DOES NOT have to be a first time buyer.
- Buyer must invest a minimum of \$1,000 into the purchase transaction.
- Buyer must complete the Homebuyer Education Course / Counseling that is offered through NeighborWorks Green Bay **AND**
- An accepted offer to purchase must be submitted in order to reserve funds for the buyer.
- Unless noted, Primary Mortgage Lender Guidelines must be followed per the NeighborWorks Green Bay policy on Pages 6-7.
- All income eligibility requirements are determined by using the Area Median Income (AMI) chart for Brown County shown below (*subject to annual changes*).
- Each year, the buyer will be required to complete a residency verification form that will be sent by NeighborWorks Green Bay. It verifies that the buyer is still residing in the home and has homeowners insurance.

SIZE OF HOUSEHOLD -- Effective May 1, 2017									
	AMI%	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Brown County	30%	14,700	16,800	20,420	24,600	28,780	32,960	37,140	41,320
	50%	24,500	28,000	31,500	34,950	37,750	40,550	43,350	46,150
FHLB - AHP	60%	29,400	33,600	37,800	41,940	45,300	48,660	52,020	55,380
	80%	39,150	44,750	50,350	55,900	60,400	64,850	69,350	73,800
	100%	48,950	55,950	62,900	69,900	75,490	81,100	86,700	92,250
FHA	115%	56,250	64,300	72,350	80,400	86,800	93,750	101,250	109,350
NLF	120%	58,700	67,100	75,500	83,900	90,600	97,850	105,650	114,100

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DOWN PAYMENT & CLOSING COST ASSISTANCE PROGRAMS

Purchase Assistance Loan (PAL - Funded by Brown County Housing Authority)

1. Home being purchased must be within the City Limits of Green Bay OR Brown County.
2. Income Limits Apply- If purchasing within the City Limits of Green Bay, income must be 120% of the AMI or less according to household size. If purchasing outside of the City limits, but within Brown County, income must be 80% of the AMI or less according to household size. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
3. FHA Insured Mortgages: NeighborWorks Loan Fund funds CANNOT be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
4. Any lender can use BCHA down payment funds
5. BCHA: Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided).*
6. Source: Brown County Housing Authority
7. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
8. Assistance is a 0% interest rate, deferred payment loan.
9. Home being purchased must be a single family, owner occupied home.
10. Loan amount for purchasing within the City Limits of Green Bay is \$5,000.00. If purchasing outside the City Limits, but within Brown County, the loan amount is \$7,500.00
11. There is a \$500 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure. BCHA funds are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

NeighborWorks Loan Fund (NLF) (Formerly 'NRC')

1. The home being purchased must be within Brown County.
2. Income Limits Apply – 120% Area Median Income or less according to household size
FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
3. FHA Insured Mortgages: NeighborWorks Loan Fund funds CANNOT be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
4. Any lender can use NeighborWorks Loan Fund down payment funds.
5. Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.)*
6. Source: NeighborWorks America / Neighborhood Reinvestment Corporation, North Shore Bank Equity Equivalent Loan.
7. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
8. Assistance is a 0% interest rate, deferred payment loan.
9. The loan amount will be determined by calculating a percentage of 4.25% of the sales contract purchase price then adding the \$600 resulting in a total minimum loan amount of \$3,600 and maximum loan amount of \$5,600.
10. There is a \$600 Counseling / Program Application Fee which will be added to the primary lender's Closing Disclosure. NeighborWorks Loan Fund loans are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

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AHP Loan - Federal Home Loan Bank Affordable Housing Program

1. The home being purchased must be within Brown County.
2. Income Limits Apply - 60% Area Median Income or less according to household size.
3. Primary Mortgage Lender Guidelines must be followed. *(See Pages 6-7)*
4. FHA Insured Mortgages: AHP funds **CANNOT** be used in conjunction with FHA insured mortgages.
5. Lender limited - Sponsor Banks include North Shore Bank, Associated Bank, Bank Mutual and Nicolet Bank.
6. Assistance is a 5-YEAR FORGIVABLE loan *(forgiven monthly)*.
7. Home must be inspected by a State Certified Home Inspector. *(See Home Inspection Requirements on Page 5.)*
8. Source: FHLB / Sponsor Bank.
9. A retention agreement will be recorded in Second Position per the Sponsor Bank.
10. FHLB offers a loan amount up to \$8,000 for a Single or Two-Family Home.
11. There is a \$600 Homebuyer Counseling Fee which will be deducted from the loan amount.
12. AHP loans are FORGIVEN on a monthly basis over a 5-year period. Payment of the balance due is expected if, prior to 5 years of residency, the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

BCHA Loan / BCHA Conversion Loan

1. The home being purchased must be in the NeighborWorks Green Bay IMPACT Lending Area.
2. Income Limits Apply - Income **MUST** be *in excess of 80%* of the AMI according to household size.
FHA Insured Mortgages: Income Limits Apply - must be 115% AMI or less according to household size.
3. FHA Insured Mortgages: BCHA funds **CANNOT** be used to satisfy the minimum down payment requirement. Primary Mortgage Lender Guidelines may or may not apply. *(See Pages 6-7)*
4. Any lender can use BCHA / BCHA Conversion down payment funds.
5. BCHA: Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.)*
6. BCHA CONVERSION: NeighborWorks Green Bay reserves the right to request certain funds to be escrowed for specific renovation repairs.
7. Source: Brown County Housing Authority.
8. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
9. Assistance is a 0% interest rate, deferred payment loan.
10. Single Family Residence: Loan amount of \$5,000.
11. Conversion Home *(duplex into a single family home)*: Loan amount of \$10,000 in the form of a credit held by the title company. The funds are to be escrowed and released upon submitting an invoice of repairs. Repairs must be completed within one (1) year and may include a follow-up inspection.
12. No program fee to the client.
13. BCHA and BCHA Conversion loans are NOT forgivable and due back when the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

DPP Loan - Down Payment Plus (Statewide Program)

1. Home being purchased **DOES NOT** have to be in the NeighborWorks Green Bay Lending Area.
2. Income Limits Apply - 80% Area Median Income or less according to household size.
3. Primary Mortgage Lender Guidelines may or may not apply. *(See Pages 6-7)*
4. Lender limited to FHLB Members who have DPP Agreements. Please call the participating lenders (see website: <http://www.fhlbc.com/Members/Pages/Members-List.aspx?state=WI>)
5. No DPCC Home Inspection required, but is highly recommended.

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6. Source: FHLB / Sponsor Bank.
7. Retention Agreement will be recorded in Second Position by the Sponsor Bank.
8. Assistance is a 5-YEAR FORGIVABLE loan (*20% forgiven annually*).
9. The maximum grant amount is the lesser of \$6,000 or three times the homebuyer's net contribution. For example, a homebuyer's net contribution of \$1,500 will result in a grant amount of \$4,500.
10. There is a \$600 Homebuyer Counseling Fee.
11. DPP loans are FORGIVEN on a monthly basis over a 5-year period. Payment of the balance due is expected if, prior to 5 years of residency, the home is sold, there is a change in ownership, home is no longer owner occupied, or mortgage is refinanced. *Exceptions may apply.*

EAHP - Employer Assisted Homeownership Program

The EAHP program is offered to qualified employees of American Foods Group, Services Plus, and Clarity Care. A second mortgage may be provided to the buyer through a NeighborWorks DPCC assistance program (i.e., NEIGHBORWORKS LOAN FUND, HOME, DPP). An additional 3rd mortgage is provided through the employer. (Terms may vary per employer.)

1. When using NEIGHBORWORKS LOAN FUND funds: The purchased property must be in the City of Green Bay and is not restricted to the lending area.
2. When using any other DPCC program: The purchased property must be in the NeighborWorks Green Bay Lending Area as the program requires. No income limits apply for conventional financing.
3. FHA Insured Mortgages: Borrower(s) who qualify for NEIGHBORWORKS LOAN FUND funds are limited to 115% AMI.
4. WHEDA Financed Mortgages: Purchase price limits apply when property is located outside the NeighborWorks Green Bay Lending Area.
5. Refer to DPCC program requirements about whether the designated funds can be used to satisfy the 3.5% FHA minimum down payment requirement.
6. Any lender of employee's choice may be used unless the NeighborWorks Green Bay DPCC program being used requires otherwise. Lender / investor must approve employer portion as an acceptable source of Down Payment Assistance. Please consult with your lender.
7. Home must be inspected by a State Certified Home Inspector. (*See DPCC Home Inspection Requirements on Page 5. A list of home inspectors is provided.*)
8. Source: The NeighborWorks Green Bay contribution will be drawn from one of several DPCC programs. See program terms and requirements of the designated program.
9. A mortgage will be recorded in Second Position by NeighborWorks Green Bay and an additional mortgage will be recorded in Third Position per sponsoring Employer as allowed per the investor.
10. **FHA insured mortgages do not allow a 3rd mortgage.
11. Participating employers of the EAHP program offer a loan amount up to \$3,000 for the purchase of a home within the City of Green Bay.
12. There is a \$250 Administrative Fee for the Employer Assistance Program in addition to any fees charged per the NeighborWorks DPCC program being used.
13. The Employer contribution is FORGIVABLE after a three or five year retention period depending upon the specifics of the Employer terms. . Funds for the remaining balance will be due and payable if prior to the retention period the home is sold, there is a change in ownership, home is no longer owner occupied or mortgage is refinanced. *Exceptions may apply.*

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HOME INSPECTION REQUIREMENTS

All properties in which a homebuyer is seeking financial assistance from NeighborWorks Green Bay must have a property inspection conducted by a State of Wisconsin Certified Home Inspector.

If significant deficiencies are noted, NeighborWorks Green Bay reserves the right to inspect the property and request an opinion from a contractor or engineer, at the buyer's expense.

Prior to closing, all major structural deficiencies, mechanical deficiencies and health/safety items must be corrected. If circumstances do not allow for corrections to be completed prior to closing, NeighborWorks Green Bay must approve a viable plan for such repairs to be made in a timely manner. **All** health and safety issues must be rectified prior to closing. Appropriate funds needed for such repairs **can be escrowed** with a title company.

Sample Area Home Inspectors

Dave Pribyl	First Choice Inspection Services	(920) 660-3000
Bob Hansen	Inspection and Building Services	(920) 609-0227
Bruce Low	Bottom Line Home Inspection	(920) 255-2197
Andy Basten	Basten Home Inspection	(920) 434-8908
Ron Nohre	Bayside Inspections LLC	(920) 339-8872
Larry Wight	Pillar to Post Home Inspectors	(920) 857-3972
Michael Krajewski	M&K Associates	(920) 321-0444
John Olson	Home Inspect Pros	(920) 639-7260

For other professional home repair referrals visit Brown County Home Builders Association at www.bchba.org.

PRIMARY MORTGAGE LENDER GUIDELINES

1. The interest rate on the primary mortgage may not exceed 1.5% over the current "Average Prime Offer Rates-Fixed" (30-year Term) as posted on www.ffiec.gov.
2. Home must be inspected by a State Certified Home Inspector. *(See DPCC Home Inspection Requirements on Page 5. A suggested list of home inspectors is provided.)*
NeighborWorks Green Bay-owned properties and new construction with a certificate of occupancy are exempt. If using an inspection that was originally done for someone other than the current buyer(s), it must have been done within the past sixty days (60) and the report must be reissued in buyer's name.
3. Closing costs (excluding pre-pays, escrows and FHA up-front MIP) shall not exceed 3%* of the loan for ALL loan products - excluding WHEDA. **Rate buy downs must be reviewed and approved by NeighborWorks Green Bay Community Reinvestment Committee.*
Exceptions can be considered based on loan size. Lower loan amounts will result in a higher percentage of fees. As a guideline, we will consider the fee amount relative to an average sized loan of \$100,000.
4. At all times the buyer shall have a minimum investment of \$1,000** of their own funds invested in the transaction. A gift from an immediate family member with a gift letter is an acceptable source. Homebuyers who are disabled or have a family member with a disability may utilize a disability grant to satisfy the \$1000 requirement. If buyer is involved with a Habitat for Humanity Home, then we will allow the dollar amount determined by Habitat in the form of sweat equity to be used towards the buyer's minimum investment.

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5. **** The NeighborWorks Green Bay - FHA approval requires that the buyer provides a minimum of 3.5% of their own funds from an acceptable HUD source if the source of down payment assistance is NEIGHBORWORKS LOAN FUND. HOME funds from the City of Green Bay is an acceptable source.**
6. No loan will be approved if property is zoned industrial or commercial and the dwelling purchased would be considered a non-conforming use. *Exceptions MUST be approved by the NeighborWorks Green Bay Board of Directors.*
7. No loan will be approved if it has a Prepayment Penalty Clause. No loan will be approved with a backend ratio exceeding 43%. *Exceptions can be considered if the overall loan factors are favorable, including residual income. However, under no circumstance can the ratio exceed 45%.*
8. No loan will be approved with a sub-prime loan product or with private financing.
9. All loans must escrow for property taxes.
10. Loans must be permanently amortizing and have a minimum term of five years during which the rate shall be fixed. Balloon loans will not be acceptable.
11. Down Payment Assistance from NeighborWorks Green Bay along with the buyer contribution shall not exceed 20% of the value of the home.
Exceptions are on a case-by-case basis for Section 8 - Housing Choice Voucher Homeownership Option Program recipients only.
12. First-time homebuyers who are disabled or have a family member with a disability who would qualify for a disability grant (i.e. Movin' Out) and who are not participating in the Section 8 - Housing Choice Voucher Homeownership Option Program and seek to purchase a home within the limits of the City of Green Bay are exempted from the NeighborWorks Green Bay Lending Area restrictions for loans made from the NEIGHBORWORKS LOAN FUND, City HOME funds, and FHLB funds. NEIGHBORWORKS LOAN FUND, City HOME funds, and FHLB funds will not be made available to buyers outside the corporate limits of the City of Green Bay.
13. For Section 8 - Housing Choice Voucher Homeownership Option Program recipients, at all times client must have \$1,000.00 of their own funds unless they are receiving disability. Loan must meet above guidelines as well as debt ratios of 28/36%. Balloon products are not allowed under the Section 8 Program. If you are qualifying for the Housing Choice Voucher Homeownership Program, please contact Integrated Community Solutions at (920) 498-3737.
14. If primary mortgage requires the use of a non-occupant co-borrower for approval, the buyer does NOT qualify for DPCC assistance.
15. All of NeighborWorks Green Bay DPCC programs are subject to approval from primary mortgage lender.
16. All programs are subject to availability of funds.

PROCEDURE FOR REQUEST FOR LOAN POLICY EXCEPTIONS

The following procedure will be used for item numbers 3, 7, 11 and 14 only. (The CRC will have the authority to grant exceptions to these policies.) The request for exception will be drafted by the Housing Counselor and presented to the Community Reinvestment Committee (CRC) for review via one of the following methods:

1. *Email*
 - a. CRC members will review the request and **RESPOND TO ALL** with feedback and a **YES** or **NO** vote. The Counselor will specify the time frame in which responses must be received. The Counselor must receive a minimum of seven (7) votes to render a decision. In the case of a tie, the Executive Director will vote to break the tie.
2. *Scheduled CRC Meeting Agenda*
 - a. Following a discussion of the request, a vote will be taken with present members. If a minimum of seven (7) members are not present, then the request will be sent to remaining members via email for their vote. In the case of a tie, the Executive Director will vote to break the tie.

The following procedure will be used for item number 5 only.

The above procedure will be followed, however if the voting results in a **YES** decision this will serve as a recommendation to be brought before the NeighborWorks Green Bay Board of Directors for final approval.