



CITY OF MELBOURNE'S PURCHASE ASSISTANCE PROGRAM

UNIT ELIGIBILITY

- Must be located in the city limits of Melbourne.
- Can be a new home or an existing home. The assistance may not be used to purchase a mobile home. No unit may have a swimming pool or similar amenity unless purchasing a condominium.
- Property must be owner-occupied or vacant
- Short sales are not permitted UNLESS the seller/lender has already approved the sales price.
- Maximum purchase prices will be based upon the affordability ratios of 34/42.
- When purchasing an existing home, the home must be in need of, or have received in the previous 12 months, code-related repairs. For existing home purchases, C.H.I. will conduct an inspection to identify code-related repairs (such as roof, plumbing & electrical) and/or hurricane mitigation (storm shutters, gutters/downspouts). A clear WDO is required prior to closing.



HOMEBUYER ELIGIBILITY

- Must be a first time home buyers; (not owning a home in previous 3 years). Buyer cannot currently own a home; regardless of location or how home was acquired.
- Must have ability to secure first mortgage financing: Conventional, FHA, and VA loans are all acceptable; 30 year fixed rate. **MORTGAGE LOAN MUST BE AT CURRENT MARKET INTEREST RATES.** If buyer cannot get a mortgage loan at a current interest rate, C.H.I. will first assist the buyer in repairing credit issues and then would assist the buyer with homeownership.
- Proposed monthly mortgage payment cannot exceed buyer's affordability ratios (front-end 34% / back-end 42%). Lender fees cannot exceed 5% of the loan amount (excluding prepaids & escrows) Contact C.H.I. for these amounts, (321) 253-0053.
- Must attend a 5-hour Homebuyer Education workshop. Contact C.H.I. for next class, (321) 253-0053.
- The City of Melbourne's Housing and Community Development staff reserves the right to deny assistance if it's determined that the applicant is not receiving a fair loan per current market conditions;
- Total income and assets for all household members must not exceed the following limits for family size:

	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8 Person Household
Very-Low Income (50%)	30,100	34,400	38,700	43,000	46,450	49,900	53,350	56,800
Low Income (80%)	48,150	55,000	61,900	68,750	74,250	79,750	85,250	90,750
Moderate Income (120%)	72,240	82,560	92,880	103,200	111,480	119,760	128,040	136,320



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HOME BUYER'S CONTRIBUTION

- Applicants must make a **MINIMUM GOOD FAITH CONTRIBUTION**, based upon their income bracket:

Household Income Limits:	Minimum Cash Contribution:
Very Low (50% or less of AMI)	\$1,000.00
Low (51% - 80% of AMI)	\$1,500.00
Moderate (81% - 120% of AMI)	\$2,000.00

- Households with more than \$10,000.00 in liquid assets must apply those additional assets beyond the \$10,000.00 towards the purchase of their home. No NSF's in prior 6 months.
- Out of Pocket expenses paid before closing are considered as part of the applicant's contribution (i.e., appraisal fees, credit reports, deposits, homeowner's insurance premium, etc.);
- At closing, the minimum contribution must be satisfied on the settlement statement; the buyer cannot receive cash back at closing.
- The lender may require more contribution.



MAXIMUM ASSISTANCE LEVEL:

- Based on HUD's 2023 Income Limits, adjusted to family size.

Household Income Limits:	Down Payment/Closing Costs Assistance	Repair Assistance	MAXIMUM ASSISTANCE
Very Low (50% or less of AMI)	\$34,500.00	\$10,000.00	\$44,500.00
Low (51% - 80% of AMI)	\$32,000.00	\$10,000.00	\$42,000.00
Moderate (81% - 120% of AMI)	\$24,500.00	\$10,000.00	\$34,500.00

- Please note: The actual amount of assistance provided would be the minimum needed to get you into an affordable housing unit. **WE WILL NOT OVER SUBSIDIZE ANY HOUSEHOLD**
- The assistance funds are made up of down payment, closing costs and rehabilitation assistance.
- The actual amount of repair assistance will be based upon the actual repair costs as determined by obtaining three (3) bids.
- If all the \$10,000 is not needed for repairs, the remaining balance can be applied towards additional down payment/closing costs assistance, IF needed. **WE WILL NOT OVER SUBSIDIZE ANY HOUSEHOLD.**



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Terms:

- The assistance provided to each homebuyer, at the time of closing, will be in the form of a second mortgage. The second mortgage will be recorded in the Public Records of Brevard County. It is a Deferred Payment Loan (DPL) at zero percent (0%) interest and is forgiven in accordance with the following schedule:

Level of Assistance	Lien Period	Forgiven annually at:
Under \$15,000	5 years	20% per year
Between \$15,001 - \$44,500	10 years	10% per year

- If at any time prior to the end of the lien period, the property ceases to be the principal residence of the homeowner or title is transferred, the outstanding balance will be repaid or transferred in accordance with City's Housing Assistance Loan Repayment Policies.
- The property must remain the principal residence of the homebuyer for the entire lien period (five or ten years).
- Leasing the premises for any period is deemed default.
- Property must be maintained and in good repair.
- Interest is zero percent (0%) on the loan EXCEPT in the case of default, at which time the remaining balance shall accrue interest at five percent (5%).
- Death of the mortgagor: Passing of title due to the death of the mortgagor to other than a spouse or co-mortgagor is deemed a default.

Recapture:

- In addition to repaying the unamortized principal balance of the assistance provided by the city, an owner will be required to pay the city a share of the net proceed (if any) from the sale, proportional to the original amount of assistance received based on the following formula:

Percentage of Net Proceeds Due City = City Subsidy / Sale Price at time of assistance X 100%

e.g. City Subsidy = \$15,000
 Sale Price of Home at time of assistance = \$150,000
 Percentage of Net Proceeds due City = \$15,000/\$150,000 X 100% = 10%

Amount of Net Proceeds Due City when assisted property is sold.

e.g. New Sale Price of assisted property = \$175,000
 Net proceeds from sale = \$25,000
 Pro-rata Share of Net Proceeds Due City = \$25,000 X 10% = \$2,500

For further information, contact
 Community Housing Initiative, Inc., PO Box 410522, Melbourne, FL 32941-0522
 Phone: 321-253-0053 // Fax: 321-253-1575 // Website: CHIBrevard.org

