



**GREEN BAY**

## Down Payment and Closing Cost Assistance Program Guidelines

### HomeOwnership Center Staff

<b>Brianna Hammersley</b>	<b>Lisa Thor</b>	<b>Jeff Van Rens</b>	<b>Marina Delbecchi</b>	<b>Amber Kraus</b>	<b>Carnardo Johnson</b>
Affordable Housing Lender	Admin Assistant/Loan Processor	Post-Purchase Advisor/Counselor	Homeownership Advisor/Counselor	Homeownership Advisor/Counselor	Homeownership Advisor/Counselor
920-593-3710	920-544-0785	920-593-3702	920-593-3701	920-593-3712	920-593-3717
NMLS# 2081939		NMLS# 326761			

NeighborWorks Green Bay offers several down payment and closing cost assistance programs. In all cases the property being purchased must be owner occupied and the only property owned at the time of purchase. The following is a list of general requirements regardless of the program being used for assistance. Please discuss with your housing counselor/advisor.

1. NeighborWorks Green Bay programs **CANNOT** be used together. Employer Assisted Homeownership Program (EAHP) is exempt.
2. NeighborWorks Green Bay programs **CAN** be used in conjunction with other outside assistance programs, such as but not limited to, the Down Payment Plus (DPP) program and Wisconsin Housing and Economic Development Authority (WHEDA) programs.
3. All programs are subject to the following pairing requirements:
  - a. NeighborWorks Green Bay assistance cannot be used to raise down payment to 20% or more of purchase price.
  - b. Other down payment assistance agencies must agree to pairing funds.
  - c. Primary lender must agree to pairing funds.
  - d. NeighborWorks Green Bay may not be placed below a loan of lower amount.
  - e. NeighborWorks Green Bay may not occupy a lien position lower than Third.
4. All program funds are subject to availability.
5. Borrower does not have to be a first-time Buyer.
6. Buyer must invest a minimum of \$1,000.00 into the purchase transaction.
7. Buyer must complete the Homebuyer Education Course **AND** Counseling that is offered through NeighborWorks Green Bay.
8. An accepted offer to purchase must be submitted in order to reserve funds for the Buyer.
9. Unless noted, Primary Mortgage Lender Guidelines must be followed. *See Page 6.*
10. All programs are subject to primary mortgage lender approval.
11. Continued owner-occupancy, maintenance of homeowner's insurance (with NeighborWorks Green Bay as an additional insured) and returning an annual verification form are conditions of assistance.
12. Income eligibility is determined by using the Area Median Income (AMI) chart for Brown County shown below. *Subject to periodic revisions.*

<b>INCOME LIMITS BY SIZE OF HOUSEHOLD -- Effective June 1, 2021</b>									
Brown County	AMI%	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
	30%	16,950	19,400	21,960	26,500	31,040	35,580	40,120	44,660
	50%	28,250	32,300	36,350	40,350	43,600	46,850	50,050	53,300
FHLB AHP	60%	33,900	38,760	43,620	48,420	52,320	56,220	60,060	63,960
DPP/HOME	80%	45,200	51,650	58,100	64,550	69,750	74,900	80,050	85,250
	100%	56,500	64,550	72,650	<b>80,700</b>	87,150	93,600	100,050	106,500
FHA	115%	64,950	74,250	83,500	92,800	100,250	108,250	116,900	126,250
NLF	120%	67,800	77,500	87,150	96,850	104,600	112,950	122,000	131,750

## NeighborWorks Green Bay Programs

### **NeighborWorks Loan Fund (NLF)**

1. The loan amount will be up to \$7,000.00 for a single-family **OR** multifamily two-to-four-unit, owner occupied residence.
2. Assistance is a 0% interest rate, deferred payment loan.
3. The home being purchased must be within Brown County.
4. NLF loans are **NOT** forgivable under any circumstances.
5. NLF is 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.*
6. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
7. There is a \$600.00 "Homebuyer Counseling Fee" which will be added to the primary lender's Closing Disclosure.
8. Income Limits Apply – 120% AMI or less according to household size.
9. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
10. FHA Insured Mortgages: NLF loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
11. Any lender can use NLF. Please consult with your lender.
12. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements on Page 5.*
13. Source: NeighborWorks America / Neighborhood Reinvestment Corporation, North Shore Bank Equity Equivalent Loan, Johnson Bank Equity Equivalent Loan, Nicolet National Bank Equity Equivalent Loan.

### **HOME Loan**

1. The maximum loan amount will be up to \$7,000.00 for a single-family **OR** multifamily two-to-four-unit, owner occupied residence.
2. Assistance is a 0% interest rate, deferred payment loan.
3. The home being purchased must be in the City of Green Bay.
4. Home Purchase Price Limit: \$172,000.00. *Subject to periodic revisions.*
5. HOME funds are **NOT** forgivable except under certain circumstances as defined by the U.S. Department of Housing and Urban Development (HUD).
6. HOME funds are 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.*
7. A mortgage will be recorded in Second Position by the Redevelopment Authority of the City of Green Bay C/O NeighborWorks Green Bay.
8. There is a \$500.00 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure.
9. Income Limits Apply - 80% AMI or less according to household size.
10. FHA Insured Mortgages: HOME loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase. *See Mortgagee Letters 2019-12 rescinding 2019-06, 2019-07, and 2019-10.*
11. Any lender can use HOME. Please consult with your lender.
12. NeighborWorks Green Bay will conduct a Housing Quality Standards (HQS) inspection and a HUD standardized visual assessment of all painted surfaces of the property. Deficiencies to be remediated prior to closing.
13. Source: Redevelopment Authority of the City of Green Bay.

### **Brown County Housing Authority Purchase Assistance Loan (BCHA PAL)**

1. Loan amount for purchasing within the City Limits of Green Bay is \$5,000.00 for a single-family, owner occupied residence.
2. If purchasing outside the City Limits, but within Brown County, the loan amount is \$7,500.00 for a single-family, owner occupied residence.
3. Assistance is a 0% interest rate, deferred payment loan.
4. The home being purchased must be within the City Limits of Green Bay (\$5,000.00) **OR** outside of City Limits, but within Brown County (\$7,500.00).

5. BCHA PAL funds are **NOT** forgivable under any circumstances.
6. BCHA PAL funds are 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.*
7. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
8. There is a \$500.00 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure.
9. 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.
10. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
11. FHA Insured Mortgages: BCHA PAL loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
12. Any lender can use BCHA PAL. Please consult with your lender.
13. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements on Page 5.*
14. This program will be offered prior to NLF until BCHA PAL funds have been exhausted.
15. Source: Brown County Housing Authority.

### **Employer Assisted Homeownership Program (EAHP)**

EAHP is offered to qualified employees of American Foods Group, Services Plus, and Clarity Care.

1. Participating employers of EAHP offer a loan amount up to \$3,000.00 for the purchase of a single-family **OR** multifamily two-to-four-unit, owner occupied residence.
2. Assistance is a 0% interest rate.
3. The home being purchased must be within Brown County.
4. The Employer contribution is **FORGIVABLE** after a three- or five-year retention period depending upon the specifics of the Employer terms.
5. 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.*
6. Per the Employer: Federal and State Laws treat the forgiven portion of the loan as income, and it is subject to normal income tax withholding. Therefore, you will be taxed annually on the portion of the loan that is forgiven. The tax will be prorated and deducted from your regular paychecks. \$1,000.00 (or 1/3<sup>rd</sup> of the loan) is added to the employee's paycheck as income at the end of each year for three years.
7. A mortgage will be recorded in Second Position by the sponsoring Employer.
8. There is a \$300.00 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure.
9. No income limits apply for conventional financing.
10. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
11. FHA Insured Mortgages: EAHP loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
12. Any lender can use EAHP. Please consult with your lender.
13. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements on Page 5.*
14. Source: EAHP offered to qualified employees of American Foods Group, Services Plus, and Clarity Care.

### **Pairing with Employer Assisted Homeownership Program (EAHP)**

The EAHP program is offered to qualified employees of American Foods Group, Services Plus, and Clarity Care. EAHP can be paired with one NeighborWorks Green Bay assistance program **OR** DPP.

1. Participating employers of EAHP offer a loan amount up to \$3,000.00 for the purchase of a single-family **OR** multifamily two-to-four-unit, owner occupied residence.
2. Assistance is a 0% interest rate.
3. Location of the home being purchased must follow the pairing NeighborWorks Green Bay assistance program. *See corresponding program guidelines.*

4. The Employer contribution is **FORGIVABLE** after a three- or five-year retention period depending upon the specifics of the Employer terms.
5. 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.*
6. Per the Employer: Federal and State Laws treat the forgiven portion of the loan as income, and it is subject to normal income tax withholding. Therefore, you will be taxed annually on the portion of the loan that is forgiven. The tax will be prorated and deducted from your regular paychecks. \$1,000.00 (or 1/3<sup>rd</sup> of the loan) is added to the employee's paycheck as income at the end of each year for three years.
7. NeighborWorks Green Bay funds are **NOT** forgivable under any circumstances.
8. NeighborWorks Green Bay funds are 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.*
9. A mortgage will be recorded in Second Position by NeighborWorks Green Bay.
10. A mortgage will be recorded in Third Position by the sponsoring Employer.
11. There is a \$300.00 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure. If EAHP is being paired with a NeighborWorks Green Bay assistance program, there is a maximum fee of \$600.00.
12. Income limits are determined by the pairing NeighborWorks Green Bay assistance program. *See corresponding program guidelines.*
13. FHA Insured Mortgages: Limited to 115% AMI or less according to household size.
14. FHA Insured Mortgages: EAHP and corresponding NeighborWorks Green Bay assistance program loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
15. Any lender can use EAHP and NeighborWorks Green Bay assistance program. Please consult with your lender.
16. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements on Page 5.*
17. Source: EAHP is offered to qualified employees of American Foods Group, Services Plus, and Clarity Care.
18. Source: The NeighborWorks Green Bay contribution will be drawn from one of several assistance programs. *See corresponding program guidelines.*

### **NeighborWorks Green Bay Employer Assisted Homeownership Program (EAHP)**

EAHP is offered to qualified employees of NeighborWorks Green Bay. The company currently offers assistance to employees purchasing a home through a NeighborWorks Green Bay assistance program, such as NLF or HOME, or via third-party program such as Down Payment Plus (DPP).

1. NeighborWorks Green Bay offers an EAHP loan amount of \$5,000.00 for the purchase of a single-family **OR** multifamily two-to-four-unit, owner occupied residence.
2. Full-time employees with a minimum of 6 months of employment with NeighborWorks Green Bay are eligible for EAHP.
3. NeighborWorks Green Bay limits EAHP assistance to 3 loans per year. Loans are made on a first come, first-served basis.
4. Assistance is a 0% interest rate.
5. Location of the home being purchased must follow the pairing NeighborWorks Green Bay assistance program. *See corresponding program guidelines.*
6. The employer contribution is **FORGIVABLE** over a five-year retention period given continued employment.
7. 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.*
8. Per the Employer: Federal and State Laws treat the forgiven portion of the loan as income, and it is subject to normal income tax withholding. Therefore, you will be taxed annually on the portion of the loan that is forgiven. The tax will be prorated and deducted from your regular paychecks. \$1,000.00 (or 1/5<sup>th</sup> of the loan) is added to the employee's paycheck as income on the anniversary of the closing date for five years.
9. A mortgage will be recorded in Second Position by NeighborWorks Green Bay for the EAHP loan. If an additional NeighborWorks Green Bay assistance program is used, a mortgage will be recorded in Third Position by NeighborWorks Green Bay. Please consult with your lender.

10. If eligible for both EAHP and NLF, EAHP funds can be paired with an NLF loan of \$2,600. *See NeighborWorks Loan Fund for requirements. Supplemental NLF funding is based on availability of NLF. If eligible for DPP, DPP funds will be used in place of additional NLF funds.*
11. There is a \$600.00 Homebuyer Counseling Fee which will be added to the primary lender's Closing Disclosure. If EAHP is being paired with an additional NeighborWorks Green Bay assistance program, there is a maximum fee of \$600.00. Fees may be paid from loan proceeds at closing.
12. Income Limits Apply – 115% AMI or less according to household size.
13. FHA Insured Mortgages: EAHP loans **CANNOT** be used to satisfy the minimum down payment requirement. The Buyer must have their own minimum down payment of 3.5% of purchase.
14. Any lender can use EAHP. Please consult with your lender.
15. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements on Page 5.*
16. Source: The NeighborWorks Green Bay contribution will be drawn from one of several assistance programs. *See corresponding program guidelines.*

### Statewide Programs

#### **Down Payment Plus (DPP)**

1. DPP is a matching program of three times the Buyer's contribution, with a maximum grant amount of \$6,000.00 for a single-family **OR** duplex, owner occupied residence.
2. The home being purchased can be outside of Brown County but must be in the State of Wisconsin.
3. DPP grants are **FORGIVEN** monthly over a 5-year period (pro rata over a 60-month period).
4. 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.*
5. Retention Agreement will be recorded in Second Position by the primary mortgage lender.
6. There is a \$500.00 Homebuyer Counseling Fee to be listed on the primary lender's Closing Disclosure. This fee is an all-in cost of \$500.00 to the Buyer. The cost of education will be deducted from the \$500.00.
7. Income Limits Apply - 80% AMI or less according to household size.
8. FHA Insured Mortgages: DPP funds **CANNOT** be used to satisfy the minimum down payment requirement. Some exceptions may apply. Consult with your primary mortgage lender.
9. Lender limited to Federal Home Loan Bank of Chicago (FHLBC) Members who have DPP Agreements. Please see website for participating lenders: <http://www.fhlbc.com/Members/Pages/Members-List.aspx?state=WI>
10. No Home Inspection is required but is highly recommended.
11. NeighborWorks Green Bay is a HUD-Approved Housing Counseling Agency and has adopted National Industry Standards for Homeownership Education and Counseling. NeighborWorks Green Bay meets the 2021 DPP requirements for Homebuyer Education and Counseling. NeighborWorks Green Bay will not allow third party education providers.
12. Primary Mortgage Lender Guidelines on Page 5 may not apply. See FHLBC DPP Guide 2021 at [www.fhlbc.com](http://www.fhlbc.com).
13. Source: FHLB / Sponsor Bank.

### 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. For other professional home repair referrals visit Brown County Home Builders Association at [www.bchba.org](http://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](http://www.ffiec.gov).
2. Home must be inspected by a State Certified Home Inspector. *See Home Inspection Requirements above.*
  - a. 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 and the report must be reissued in Buyer's name.
3. Closing cost shall not exceed 3% of the loan amount for all loan products – excluding WHEDA.
  - a. 3% excludes Pre-Paid, Initial Escrows, and FHA Upfront MIP (if applicable)
  - b. No rate buy-downs in excess of 1 point are permitted.
4. At all times, the Buyer shall have a minimum investment of \$1,000.00 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 \$1,000.00 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.
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.
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.
8. No loan will be approved with a backend ratio exceeding 43%. Ratio is based on NeighborWorks Green Bay's income calculation of all household adult income earners / total debts from lender's 1003 form.
  - a. Exceptions can be considered if the overall loan factors are favorable, including residual income.
9. No loan will be approved with a sub-prime loan product or with private financing.
10. All loans must escrow for property taxes.
11. 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.
12. Down Payment Assistance from NeighborWorks Green Bay along with the Buyer contribution shall not exceed 20% of the value of the home.
  - a. Exceptions are on a case-by-case basis for Section 8 - Housing Choice Voucher Homeownership Option Program recipients only.
13. For Section 8 - Housing Choice Voucher Homeownership Option Program recipients, at all times Buyer 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 assistance.
15. All NeighborWorks Green Bay assistance programs are subject to approval from primary mortgage lender.
16. All programs are subject to availability of funds.

## Procedures for Request for Loan Policy Exceptions

The following procedure will be used for item numbers 3, 7, 11 and 13 only. (The Counseling and Lending Committee 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 Counseling and Lending Committee for review via one of the following methods:

1. Email
  - a. Counseling and Lending Committee 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 President and Chief Executive Officer (CEO) will vote to break the tie.

2. Scheduled Counseling and Lending Committee 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 President and CEO 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.