



## **DOWNPAYMENT ASSISTANCE PROGRAM**

Mountain Housing Opportunities, Inc. is pleased to introduce its' new Down Payment Assistance (DPA) program. Below is a list of loan products and guidelines. Please note, this program administers federal funds and all borrowers must first income-qualify for the program. Maximum property purchase price for all programs is \$200,160. Multiple programs may not be combined for a single property. **Applicant must be pre-approved by first mortgage lender and property under contract to make application for DPA.**

### **Direct Homebuyer Assistance (HOME)**

Borrower must be at or below 80% area median income. The property must be stick-built or off-frame modular. **These funds are restricted to the City of Asheville and to Buncombe County.**

#### *Loan Details:*

- Loan amount: Up to \$25,000 (City of Asheville properties) **OR** up to \$20,000 Buncombe County (not in Asheville)
- Equity Sharing Interest: equal to the rate of future appreciation of the property (see below)
- Term: 30 years
- Monthly Payment: \$0
- Borrower must occupy the home as his/her primary residence.
- Can be used for both down payment and closing cost assistance.
- Funds are restricted by the Uniform Relocation Act (URA) therefore, tenants cannot be displaced using the funds.

### **Buncombe County Affordable Housing Services Downpayment Assistance Program (HTF)**

Borrower must be at or below 80% area median income. The property must be stick-built or off-frame modular. **These funds are restricted to Buncombe County.**

#### *Loan Details:*

- Loan amount: Up to \$15,000
- Equity Sharing Interest: equal to the rate of future appreciation of the property (see below)
- Term: 30 years
- Monthly Payment: \$0
- Borrower must occupy the home as his/her primary residence.
- Can be used for both down payment and closing cost assistance
- Funds are restricted by the Uniform Relocation Act (URA) therefore, tenants cannot be displaced using the funds.

### **American Dream Downpayment Initiative (ADDI)**

Borrower must be a first time homebuyer at or below 80% area median income. The property must be stick-built or off-frame modular. **These funds are restricted to Buncombe and Madison counties. BORROWER MUST BE A FIRST TIME HOME BUYER.**

#### *Loan Details:*

- Loan amount is 6% of the purchase price **OR** \$10,000, whichever is greater.
- Equity Sharing Interest: equal to the rate of future appreciation of the property (see below)
- Term: 30 years
- Monthly Payment: \$0
- Borrower must occupy the home as his/her primary residence.
- Can be used for both down payment and closing cost assistance.
- Uniformed Relocation Act (URA) does not apply.



**PROGRAM GUIDELINES**

**QUALIFYING RATIOS**

MHO honors qualifying ratios for the following programs:

- NCHFA
- FHA
- Self-Help Portfolio Loans
- VA Loans

Otherwise, MHO uses a 45% debt ratio

**PMI/MIP**

Only if required on primary mortgage

**Credit History**

Flexible, on case-by-case basis: MHO looks for two year financial stability and defensible stance for any credit issues.

**First Mortgage Requirements**

It is the mission of MHO to provide affordable and sustainable homeownership for low to moderate income families. To this end, MHO does not approve downpayment assistance financing in connection with high interest loans, interest only loans, most ARM loans and high fee loans. In addition, due the risk of federal funds, MHO cannot approve downpayment assistance loans in connection with construction loans or rate buy downs.

Please feel free to contact MHO for specific questions regarding first mortgage products.

**Closing Requirements**

Fees vary based on funding source. MHO must be listed as a loss payee on Homeowners Insurance and Title Insurance. MHO provides Promissory Note and Deed of Trust; closing attorney to prepare Request for Notice of Sale. MHO and all other lenders/lien holders must be listed on the same HUD-1 Settlement Statement.

**Equity Sharing (Interest)**

The loan shall bear interest at the same rate of appreciation as the property value, from the date of purchase through the date when the loan shall become due and payable. At payoff, the appreciation rate

will be equal to: “Future value of home” divided by “Original Purchase Price of home” multiplied by “Original loan amount”. Multiply the loan amount by the appreciation rate.

<b>EQUITY SHARE EXAMPLE:</b>	
Purchase Price	\$ 150,000
<b>Loan Amount</b>	<b>\$ 20,000</b>
Value when loan due	\$ 200,000
$\$200,000 \div \$150,000 \times \$20,000$	= 1.333 appreciation rate
<b>Total Payoff (loan + interest)</b>	<b>\$ 26,667</b>
(Loan amount x appreciation rate)	(\$20,000 x 1.333)

**Special Features or Requirements**

All borrowers are **REQUIRED** to complete a MHO approved Homebuyer Education Class through either AHC (259-9218) OR OnTrack, formerly CCCS (255-5166).

**INCOME GUIDELINES**

80% below area median income

1 person	\$28,450	5 person	\$43,900
2 person	\$32,500	6 person	\$47,150
3 person	\$36,600	7 person	\$50,400
4 person	\$40,650	8 person	\$53,650

Questions specific to the MHO DPA loan programs may be directed to *Joe Taylre* by telephone (828) 254-4030, ext 127 or via e-mail to: [joet@mtnhousing.org](mailto:joet@mtnhousing.org)



## DPA Application Check-List

At the time of application for Down Payment Assistance, MHO requests that several documents be provided. Please come prepared with as many of these documents as possible, for the more we receive, the faster we are able to process your loan.

**Applicant MUST be pre-approved (NOT just pre-qualified) by first mortgage lender and property under contract to make application for DPA.**

The items needed are as follows:

- **Copies of Social Security Card & Driver's license for all parties applying for the loan**, *If you do not have your SS Card, please bring in a document, such as a pay stub, that lists your SS number.*
- **Credit Report Fee \$20.00 per person, certified funds only made payable to MHO. NO CASH OR CHECKS!**
- **Written explanation of credit problems, and copies of satisfactory alternative credit, such as a twelve-month history of utility payments.**
- **Homebuyer Education Certificate**, *This class is offered by the Affordable Housing Coalition (AHC, contact number 259-9216) or On Track (formerly known as CCCS, contact number 255-5166). The completion certificate is needed prior to closing in order to disperse funds.*
- **Copy of 1003 Residential Loan Application from first mortgage lender**
- **Copy of Good Faith Estimate from first mortgage lender**
- **30 days of most recent pay stubs, tax returns only if you are self-employed**
- **2 years tax returns**
- **Copies of source documentation for all other sources of income to the household, including but not limited to, Social Security, Child Support, Public Assistance, etc...** *This information is needed for all income into the household, not just for individuals applying for the loan.*
- **2 months deposit verifications**
- **Gift letter, if applicable**
- **Copy of Separation/ Divorce Decree, if applicable**
- **Copy of appraisal**
- **Copy of Offer to Purchase Contract**

Also, when you come in to deliver documents, you will need to sign the following documents:

- **MHO Intake Sheet**
- **MHO Client Authorization form** (*allows MHO to pull credit, contact employers, speak with your first mortgage lender, etc...*)
- **Verification of Employment form, one for each employer.**

PLEASE NOTE: The above listed items are needed for all applicants on the loan.  
**PLEASE DO NOT SUBMIT YOUR ORIGINAL RECORDS TO MHO. WE CANNOT GUARANTEE THE SAFETY AND STORAGE, OR RETURN OF ANY ORIGINAL DOCUMENTATION. MHO WILL NOT ACCEPT ORIGINAL DOCUMENTS, NOR WILL WE PROVIDE COMPLIMENTARY COPYING SERVICES.**

PLEASE, RETURN ALL COPIES OF DOCUMENTS TO:

Joe Taylre, DPA Loan Program Officer  
Mountain Housing Opportunities, Inc.  
64 Clingman Avenue, Suite 101  
Asheville, NC 28801  
(828) 254-4030, ext. 127  
Fax (828) 254-0124

**MINIMUM APPLICATION PROCESSING TIME IS 21 DAYS FROM DATE OF RECEIPT OF ALL REQUIRED DOCUMENTS FROM THE BORROWER(S)!**



**AFFORDABLE HOUSING/DOWNPAYMENT ASSISTANCE PROGRAM APPLICATION**  
**COMPLETE ALL SECTIONS, ATTACH ADDITIONAL SHEETS IF NECESSARY AND RETURN TO:**  
**MOUNTAIN HOUSING OPPORTUNITIES, INC.**  
**64 CLINGMAN AVENUE, SUITE 101**  
**ASHEVILLE, NC 28801**  
**(828) 254-4030 - FAX- (828) 254-0124**

**CIRCLE ONE**

**ATTENTION: SADIE FUNDERBURK (MHO HOMES ONLY)**

**ATTENTION: JOE TAYLRE (DOWNPAYMENT ASSISTANCE PROGRAM ONLY)**

<b>GENERAL INFORMATION</b>							
Applicants Name (include Jr. or Sr. if applicable)			Co-Applicants Name (include Jr. or Sr. if applicable)				
Social Security Number	Home Phone	Date of Birth	Social Security Number	Home Phone	Date of Birth		
<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Co-Applicant) No.      Ages		<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Applicant) No.      Ages	
Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.			Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.				
If residing at present address for less than two years, please complete the following:							
Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.			Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.				

<b>ADDITIONAL HOUSEHOLD AND INCOME INFORMATION</b>					
Please list all persons who will reside in the home as well as all income received. Each individual If more than one source is received by an individual then use more than one row for that individual. Total Household Gross Income should reflect all income received by all household members.					
First and Last Name	Relation to Applicant	Date of Birth	Social Security #	Gross Annual Income*	Source of Income (ie: child support, employer, disability)
Total Household Gross Annual Income				\$	
Current monthly rent or housing expense					\$

<b>EMPLOYMENT HISTORY</b>					
Applicant's Name and Address of Employer <input type="checkbox"/> Self Employed		Yrs. on this job	Co-Applicant's Name and Address of Employer <input type="checkbox"/> Self Employed		Yrs. on this job
		Yrs. employed in this line of work/profession			Yrs. employed in this line of work/profession
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
If employed in current position for less than two years or if currently employed in more than one position, please complete the following:					
Name and Address of Employer <input type="checkbox"/> Self Employed		Dates (from – to)	Name and Address of Employer <input type="checkbox"/> Self Employed		Dates (from – to)
		Monthly Income			Monthly Income
		\$			\$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name and Address of Employer <input type="checkbox"/> Self Employed		Dates (from – to)	Name and Address of Employer <input type="checkbox"/> Self Employed		Dates (from – to)
		Monthly Income			Monthly Income
		\$			\$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)



ARE YOU A GRADUATE OF THE HOMEBUYER EDUCATION CLASS OFFERED BY THE AFFORDABLE HOUSING COALITION OF ASHEVILLE AND BUNCOME COUNTY? Yes \_\_\_\_\_ No \_\_\_\_\_ (If yes, attach copy of "Certificate of Achievement") If no, please call either AHC at (828) 259-9218 or OnTrack (Formerly Consumer Credit Counseling Service) at (828) 25505166 to schedule "Homebuyer Education" classes and obtain your certificate. **(REQUIRED)**

ASSETS		
Checking Account	Checking Account	Savings Account
Institution:	Institution:	Institution:
Account Number:	Account Number:	Account Number:
Balance/Value	Balance/Value	Balance/Value
Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly
Savings Account	Investments	Investments
Institution:	Institution:	Institution:
Account Number:	Account Number:	Account Number:
Balance/Value	Balance/Value	Balance/Value
Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly
Other	Other	Other
Institution:	Institution:	Institution:
Account Number:	Account Number:	Account Number:
Balance/Value	Balance/Value	Balance/Value
Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly	Account held by: <input type="checkbox"/> Applicant <input type="checkbox"/> Co-Applicant <input type="checkbox"/> Jointly

Real Estate		
Property Address	Present Market Value	Amount of Mortgages & Liens

DEBTS (Liabilities)				
	Creditor	Account Number	Balance	Monthly Payment
Auto Loan or Lease				
Auto Loan or Lease				
Credit Card Account				
Credit Card Account				
Credit Card Account				
Other Loan				
Other Loan				
Attach additional sheets, if necessary, and list ALL debts. Failure to disclose all assets/debts could result in delays and/or loan application denial.			<b>TOTALS</b>	

INFORMATION FOR GOVERNMENT MONITORING PURPOSES (Optional)	
The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so.	
<p><b>APPLICANT</b>  <input type="checkbox"/> I do not wish to furnish this information.</p> <p><b>Race or National Origin:</b>  <input type="checkbox"/> American Indian or Alaskan Native  <input type="checkbox"/> American Indian or Alaskan Native &amp; White  <input type="checkbox"/> American Indian or Alaskan Native &amp; Black  <input type="checkbox"/> Native Hawaiian or Pacific Islander  <input type="checkbox"/> Asian <input type="checkbox"/> Asian &amp; White <input type="checkbox"/> White  <input type="checkbox"/> Asian &amp; Black/African American  <input type="checkbox"/> Black/African American  <input type="checkbox"/> Black/African American &amp; White  <input type="checkbox"/> Other (specify) _____</p> <p>In addition to race, do you consider yourself Hispanic?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male</p>	<p><b>CO-APPLICANT</b>  <input type="checkbox"/> I do not wish to furnish this information.</p> <p><b>Race or National Origin:</b>  <input type="checkbox"/> American Indian or Alaskan Native  <input type="checkbox"/> American Indian or Alaskan Native &amp; White  <input type="checkbox"/> American Indian or Alaskan Native &amp; Black  <input type="checkbox"/> Native Hawaiian or Pacific Islander  <input type="checkbox"/> Asian <input type="checkbox"/> Asian &amp; White <input type="checkbox"/> White  <input type="checkbox"/> Asian &amp; Black/African American  <input type="checkbox"/> Black/African American  <input type="checkbox"/> Black/African American &amp; White  <input type="checkbox"/> Other (specify) _____</p> <p>In addition to race, do you consider yourself Hispanic?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male</p>

CERTIFICATION			
I certify that all of the above information is correct and true and all income and assets have been disclosed to the best of my knowledge. I understand that the completion of this application in no way guarantees me that I will receive housing			
_____ Signature of Applicant	_____ Date	_____ Signature of Co-Applicant	_____ Date



**AUTHORIZATION TO RELEASE INFORMATION**

---

I authorize **Mountain Housing Opportunities, Inc.** to:

- (a) pull my credit report to review my credit file;
- (b) verify my past and present employment history and earnings records, social security and other retirement benefits;
- (c) verify past and present mortgage and landlord references;
- (d) verify my bank accounts and any other asset balances needed; and
- (e) obtain a copy of the HUD-1 settlement statement when I purchase a home from the lender who made me a loan or the title company that closed the loan.
- (f) transfer, if necessary, all appropriate financial information including credit reports, employment and deposit verifications, other income verifications, real estate purchase applications, etc., for their review.

I/We understand that these documents are confidential. The information obtained is only to be used for housing counseling in connection with my pursuit of a loan to purchase real property or for information inquiry purposes. A copy of this release is also an acceptable authorization.

\_\_\_\_\_

*Applicant*

\_\_\_\_\_

*Date*

\_\_\_\_\_

*Co-Applicant*

\_\_\_\_\_

*Date*

*Joe Taylre*

*Joe Taylre, Loan Program Officer*

\_\_\_\_\_

*Date*

*NOTICE TO APPLICANTS: The federal Equity Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The National Credit Union Administration, 1776 G Street NW, Washington, DC 20456 administers compliance with this law.*

*WARNING: TITLE 18, SECTION 1001 OF THE U.S. CODE STATES THAT A PERSON IS GUILTY OF A FELONY FOR KNOWINGLY AND WILLINGLY MAKING FALSE OR FRAUDULENT STATEMENTS TO ANY DEPARTMENT OF THE UNITED STATES GOVERNMENT.*



**REQUEST FOR VERIFICATION OF EMPLOYMENT**

The applicant has applied for homeownership with Mountain Housing Opportunities, Inc (MHO). Your verification of the applicant's income is needed to complete the files and records of MHO, and will be handled in strict confidence. The information will not be disclosed to any private individual or persons other than within MHO and the U.S. Department of Housing and Urban Development, via the City of Asheville's Department of Community Development. Your prompt return of the requested information will be appreciated.

Joe Taylre  
 SIGNATURE OF MHO REPRESENTATIVE

\_\_\_\_\_  
 DATE

Joe Taylre, DAP Loan Officer  
 PRINTED NAME, TITLE

**RELEASE AND AUTHORIZATION BY APPLICANT**

I authorize my employer to furnish to Mountain Housing Opportunities, Inc. of Asheville, NC the information regarding my income.

\_\_\_\_\_  
 SIGNATURE OF APPLICANT

\_\_\_\_\_  
 DATE

**EMPLOYER:**

**PLEASE, COMPLETE ALL SECTIONS BELOW. YOUR COOPERATION IS APPRECIATED.**

<b>NAME &amp; ADDRESS OF APPLICANT'S EMPLOYER</b>	<b>CURRENT BASE PAY RATE \$</b> _____ ___ ANNUAL ___ MONTHLY ___ WEEKLY ___ HOURLY NO. WEEKS _____ WORKED PER YEAR
<b>NAME &amp; ADDRESS OF APPLICANT</b>	<b>YTD GROSS EARNINGS</b> AS OF (DATE): _____ BASE PAY: _____ OVERTIME PAY: _____ EXPECTED AVERAGE NUMBER OF OVERTIME HOURS WORKED PER WEEK IN NEXT TWELVE MONTH PERIOD: _____ COMMISSIONS: _____ BONUS: _____ ANY OTHER TYPE OF INCOME NOT INCLUDED ABOVE: FOR: _____ \$ _____ PER _____
<b>DATE OF HIRE</b>	<b>AVERAGE HOURS/WEEK AT BASE RATE</b>
<b>PRESENT POSITION</b>	<b>AVERAGE HOURS/WEEK AT OVERTIME RATE</b>
<b>TOTAL BASE PAY EARNINGS FOR PAST 12 MONTHS:</b>	<b>TOTAL OVERTIME EARNINGS FOR PAST 12 MONTHS:</b>
<b>PROBABILITY, EXPECTED DATE, AND AMOUNT OF ANY PAY INCREASE</b>	<b>EXPECTED AVERAGE NUMBER OF HOURS/WEEK WORKED PER WEEK IN NEXT 12 MONTHS</b>
<b>DOES EMPLOYEE HAVE ACCESS TO A RETIREMENT ACCOUNT?:</b>  <b>IF YES, WHAT AMOUNT CAN THEY GET ACCESS TO:</b> _____	<b>REMARKS</b>
<b>PROBABILITY OF CONTINUED EMPLOYMENT</b>	

**SIGNATURE OF EMPLOYER**

The above information is furnished in strict confidence, at the request of MHO.

\_\_\_\_\_  
 SIGNATURE OF EMPLOYER

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 PRINTED NAME, TITLE

\_\_\_\_\_  
 AREA CODE/PHONE NUMBER

**WARNING: TITLE 18, SECTION 1001 OF THE U.S. CODE STATES THAT A PERSON IS GUILTY OF A FELONY FOR KNOWINGLY AND WILLINGLY MAKING FALSE OR FRAUDULENT STATEMENTS TO ANY DEPARTMENT OF THE UNITED STATES GOVERNMENT.**