

Homebuyer Eligibility

- For first-time homebuyers or those who have not owned a home for 3 years
- Currently live or work in Kane County for at least 1 year
- Household income can be no more than 80% area median income (ami)

Kane County Down Payment Assistance Program Income Limits (80% AMI)

Family Size	1	2	3	4	5	6	7	8
Income Limit	43,050	49,200	55,350	61,500	66,450	71,350	76,300	81,200

HUD income limits for Chicago area, updated as of 6/6/16

Property Eligibility

- Home in Kane County and a portion of the City of Elgin in Cook County (Not available in Aurora, Hampshire, Huntley and Montgomery)
- Single family detached, condominiums and townhomes
- Manufactured homes not eligible
- Maximum purchase price for existing homes is \$209,000
- Maximum purchase price for new homes is \$228,000
- Dwelling cannot be tenant occupied
- Dwelling cannot be in the 100-year floodplain
- All sellers must sign "Voluntary Sale Letter" and buyer/seller must sign "Real Estate Sales Contract Rider"



Homebuyers interested in applying
for the Kane County 1st Time
Homebuyer Assistance Program
contact NHS of the Fox Valley at
(847) 695-0399 x4600 or via email at
foxvalleyinfo@nhschicago.org.

Kane County Office of Community Reinvestment



Attention FIRST TIME HOME BUYERS KANE COUNTY DOWN PAYMENT ASSISTANCE PROGRAM

The First-Time Homebuyer Program helps make the dream of homeownership a reality. The program provides up to \$10,000 in down-payment and closing-cost assistance to first-time homebuyers in the form of a zero-interest, deferred-payment loan. The First-Time Homebuyer Program is one of several housing assistance programs funded by the Kane-Elgin HOME Consortium, a city-county partnership formed for the purpose of participating in the U.S. Department of Housing and Urban Development's HOME Program. NHS delivers the First-Time Homebuyer Program on the Consortium's behalf.

Established in 1975, NHS is a non-profit housing, counseling, and lending organization that enables Chicago and Kane County residents to buy, fix, and keep their homes.

630.444.3027

OCR@countyofkane.org

Housing Quality Standards Inspection

Standards to ensure that homes are decent, safe and sanitary.

Areas inspected:

- Ceiling and walls
- Floors
- Electricity: GFIs and size of service
- Windows, doors, paint, sink, toilet, tub, appliances
- Plumbing, HVAC
- Foundation, structure
- Coping & flashing
- Handrails, porches, roof, gutter/downspouts
- Inspect for presence of asbestos and mold
- Safety systems: smoke & carbon monoxide detectors
- Visual lead inspections

Mortgage Criteria

- Interest rate cannot exceed FNMA 30-year rate on date of origination plus 250 basis points
- Fixed rate loans for term, or no less than 3/1 adjustable rate loan (with initial rate fixed for 3 years)
 - Any adjustments after year 3 cannot occur more than once/year
- Subordinate mortgages cannot exceed terms of first mortgage
- Total points and fees cannot exceed 5% of total loan amount, including any yield spread premiums
- Debt-to-Income Ratio Maximums:
 - Front End - 32% (principal, interest, taxes, insurance, association dues)
 - Back End - 50% (all housing debt plus other installment debt)
- NO CASH BACK AT CLOSING
- Ineligible loan types:
 - "Stated income" loans
 - "Option" or "negative amortization" loans
 - "Interest-only" loans

- Pre-payment penalties
- Balloon payments

Down Payment Assistance Terms

- Deferred payment loan up to \$10,000
- Interest free
- Secured by a second mortgage payable to Kane County
- Due and payable at sale or transfer of home or when home is no longer primary residence for homeowner
- No first mortgage less than 80% of value

Subordination Criteria

- No cash out at refinance (consolidating debt is considered cash back)
- Only reasonable and customary closing costs can be rolled into first mortgage
- New principal balance cannot exceed original first mortgage existing principal
- 15-year mortgage OK so long as owner has capacity to handle payments
- Must refinance to a fixed rate
- First mortgage lender must escrow taxes and insurance (if original first mortgage lender was doing so)
- The Kane County mortgage will not subordinate to home equity or reverse mortgage loans
- Kane County will subordinate to home improvement loans if homeowner provides written documentation of the improvement which meets Kane County's approval

Application Process

- The homebuyer must be pre-qualified or pre-approved with a loan company before applying for the Deferred Loan
- NHS reviews documents submitted by homebuyer.

Documents needed to apply:

- Prequalification application form
 - Two most recent paystubs for all members of the household
 - Two months most recent bank statements
 - Proof of funds for 1% minimum down payment requirement
 - Three years of federal tax returns with all the necessary schedules and W2s for all the members of the household
 - Proof of residency or employment in Kane County for the past 12 months
 - First mortgage commitment letter
- Homebuyer can submit the application and supporting documents to NHS of the Fox Valley:
- Email foxvalleyinfo@nhschicago.org
 - Postal Service. At NHS of the Fox Valley, One American Way, Elgin, IL 60120
 - In person. Deliver the documents in person to the office during regular business hours.
 - Once ALL the documents have been submitted and reviewed, the complete application will be forwarded to Neighborhood Lending Services of Chicago for processing and origination of the pre-approval letter.
- Homebuyer will receive the notification of approval within 10 business days after submission.

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NHS of the Fox Valley, an Affiliate of
Neighborhood Housing Services of Chicago, Inc.
One American Way, Elgin IL 60120
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