

Downpayment Assistance Program

WHAT IS THE DOWNPAYMENT ASSISTANCE PROGRAM?

The Downpayment Assistance Program (DPA) provides funding to eligible first-time homebuyers to purchase a home. The funding is used to pay a portion of the downpayment and closing costs associated with purchasing a home. Up to \$8,000 in assistance may be provided.

A FIRST-TIME HOMEBUYER IS:

(1) A person who has not owned a home (excluding mobile home) within the past 3 years. (2) If a person has previously owned a home, he/she may qualify as a displaced home maker or a single person with minor dependents. (3) A current homeowner living in a dilapidated home infeasible to repair.



HOW DO I GET STARTED?

Simply call the City Housing & Community Development Division (HCD) at (352) 334-5026 to request a registration form or use the registration form on the internet to register for the next available required Homebuyer Education & Training Workshop.

WHAT ARE MY REQUIREMENTS?

(1) Must provide a minimum of 2% of the Sales Prices towards downpayment and closing costs. (2) Must qualify for a mortgage loan from a Certified DPA Lender. (3) Must own and occupy the property as his/her principal residence during the compliance period. Gross Annual Household Income cannot exceed income HUD limits (see Link for HUD Income Limits chart).



TYPE OF ELIGIBLE PROPERTIES?

New or Existing: Single-Family Homes, Condominiums or Townhouses
Property must be located within the city limits of the City of Gainesville
Sales Price or Value of new or existing property cannot exceed \$258,690
Owner Financing and Lease Purchases are **Not Eligible**. Mobile Homes are **Not Eligible**.

Frequently Asked Questions

Does the City find a home for me to purchase? The homebuyer locates the home to purchase. Most homebuyers seek the assistance of a realtor. Realtors are listed in the phonebook and/or on “For Sale” signs posted outside of homes.

Does the City finance the purchase of the home? No, you must qualify for a first mortgage loan from a Certified DPA Lender.

How are the DPA funds received by the homebuyer? Funding is awarded in the form of a due-on-sale

loan. A subordinate mortgage will be placed on the home for the amount of the loan. The homebuyer must own and occupy the property as his/her primary residence for 10 years. At the end of the 10-year period the loan is forgiven and the lien is satisfied.

What if I decide to refinance, move, sell or rent the property before the 10-year compliance period ends? The entire amount of the DPA becomes due and payable to the City of Gainesville.

What is the Homebuyer Education and Training Workshop? Is there a Fee? Is there a Test? The Workshop is designed to ensure that all participants receive the necessary information about the home buying process. Some topics covered include credit, budgeting, savings, mortgage loans, house selection, lenders, realtors, home inspection, home maintenance and closing day. There is no cost to attend the workshop and there is no test. You will receive a Certificate of Completion after completing the course.

Is there an expiration date on the Certificate of Completion? The certificate is valid for one (1) year. After that time you will be required to retake the course again.

Does the City pay for repairs before closing or provide repair assistance after the closing? The City **does not** provide any funds for repairs before or after the closing. Repairs such as Roof, Electrical, Plumbing, Heating, Gas or any other danger/safety hazard must be corrected prior to closing. Typically the homebuyer negotiates with the seller to make the repairs.

May I purchase a home in the City or the County? If you purchase a home in the City limits, you must apply to the City Housing & Community Development Division at (352) 334-5026. If you purchase a home in the County, you must apply to the Alachua County Department of Growth Management by calling (352) 264-7013.

How do I choose a Lender? You must select a Certified DPA Lender to apply for a mortgage loan. A list of eligible lenders will be provided to you at the Homebuyer Education & Training Workshop.

How do I choose a Property Inspector? You must select a Certified DPA Property Inspector to inspect the home. A list of eligible property inspectors will be provided to you at the Homebuyer Education & Training Workshop.

City of Gainesville

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