

# CITY OF DOVER DOVER FIRST START

## HOMEOWNERSHIP DOWNPAYMENT AND SETTLEMENT ASSISTANCE PROGRAM

The City of Dover homeownership program is intended to encourage homeownership in the City of Dover. The program assists low and moderate income families with down payment and settlement costs on eligible properties in the City of Dover Limits.

### **QUALIFICATIONS**

- Buyer must be a first-time homebuyer.
- Buyer must have at least \$1000.00 cash (excluding gift money).
- The home to be purchased must be the principal residence of the buyer.
- Buyer must complete a homeownership counseling program with a certified HUD Counselor prior to closing. Funding will not be reserved until buyer has been approved for a mortgage.
- First mortgage must be held by a bank approved by the program.
- Buyer must have a credit score of 620 and above to be eligible for the DFS program.
- An ASHI home inspection must be completed on all existing properties with any major defects identified repaired prior to closing by a licensed contractor; new construction must have a 1-year HUD approved warranty. A visual assessment for lead base paint must be conducted on all homes built prior to 1978.
- Income limits cannot exceed 80% of the median income based on family size for the City of Dover as defined by HUD. Applicants must be between 60% and 80% of the area median income to be eligible for assistance.

## **LOAN TERMS**

No cash back will be given to the buyer at settlement. Additional funds will be credited to the City of Dover.

Assistance is up to \$20,000 for property purchased in the City of Dover.

The city will place a second mortgage lien on the property and if within the first ten years the home is sold, transferred, or the property ceases to be the borrowers' principal residence, the loan becomes due and payable. Interest rate is 0% and is forgiven after ten years.

Loan-to-value maximum is based on VA, FHA, and Conventional loan guidelines.

## **WHO SHOULD I CONTACT?**

Please contact Tracey Harvey in the Community Development Office at (302) 736-7196 for more information.