

**GWINNETT HOUSING CORPORATION (GHC) WELCOME HOME PROGRAM
PROGRAM INFORMATION**

The GHC Welcome Home Program is a homeownership program that offers fully rehabilitated and newly constructed affordable homes to eligible low- to moderate-income home buyers. The program also includes mortgage assistance in the form of a 0% interest loan to qualified first-time home buyers who purchase affordable homes in Gwinnett County. The amount of assistance is dependent on household income and ranges between \$14,975 and \$22,500.

Funding Terms and Sources

- The assistance provided will not exceed **\$22,500** for households earning 50% Area Median Income and purchasing one of the houses funded by the Neighborhood Stabilization Program. It will be used for closing costs and/or principal reduction only.
- The assistance provided will not exceed **\$14,975** for households earning 80% Area Median Income and purchasing one of the houses funded by HOME Partnership Investment funds. It will be used for closing costs and/or principal reduction only.
- The homebuyer must qualify for and purchase the home using a fixed rate mortgage.
- Funding is provided by Gwinnett County and shall be disbursed by Gwinnett Housing Corporation at the time of closing and will be provided as a five year (for \$14,975 assistance) or ten year (for \$22,500 assistance), zero interest Deferred Payment Loan (DPL).

Required Loan Documentation

- Loan Terms shall be detailed in the **Security Deed** and **Promissory Note** and any other closing documents that are determined necessary to secure the requirements of the HOME and NSP funds provided by the Department of Housing and Urban Development.

Affordability Period

Consistent with HOME Program Requirements at 24 CFR 92.254(A)(4), the affordability period of **five (5) years** shall apply to the following units:

- funded by HOME funds,
- receiving \$14,975 mortgage assistance,
- occupied by families earning no more than 80% Area Median Income

Consistent with Neighborhood Stabilization Program, the affordability period of **ten (10) years** shall apply to the following units:

- funded by NSP funds,
- receiving \$22,500 mortgage assistance,
- occupied by families earning no more than 50% Area Median Income

The homebuyer must maintain the home purchased as their principal residence as an owner occupant. Payment is not required from the borrower as long as the homebuyer maintains the property as their principal residence and retains ownership during the affordability period.

If the homebuyer fails to meet these requirements for any reason (including but not limited to failure to maintain the home as principal residence, sale, foreclosure, involuntary sale, transfer by Deed in Lieu, etc.) or defaults on any of the terms of the Note, Deed to secure debt or other closing documents then recapture of the assistance provided will be required.

Net Proceeds

The recapture of funds are subject to the availability of the Net Proceeds that may be available following the sale or foreclosure of the loan. When there are no Net Proceeds or Net Proceeds are insufficient to repay the HOME or NSP investment due, only the actual Net Proceeds, if any, shall be subject to recapture, and repayment of funds shall be based on the pro-rated schedule detailed in the Promissory Note.

Net Proceeds are determined by taking the Sales Price and deducting all superior loan repayment (all loans in position superior to the Welcome HOME loan) and any closing costs. Any funds remaining are “Net Proceeds” subject to recapture.

GWINNETT COUNTY NEIGHBORHOOD STABILIZATION PROGRAM

HUD CLOSING REQUIREMENTS

- Our program must approve the preliminary HUD **with no cash out to the buyer** before funds can be released to the closing attorney for the closing.
- **Gwinnett County Neighborhood Stabilization Program information must be on the MAIN HUD.** Please state the program participation in full on the buyer side as Gwinnett County HOME \$14,500.00 (5 year) or NSP \$22,500 (10 year).
- **NO CASH OUT AT CLOSING ON THE BUYER SIDE.** If there are excess funds on the buyer side a first mortgage principal reduction can be completed or a rate buy down. The other option is seller closing costs can be reduced to the buyer.
- There is a buyer participation requirement of **1%** of the sales price for this program. The buyer can contribute more. Gifted funds cannot be counted toward this requirement. Earnest money, POC by buyer shown on HUD such as private home inspection or buyer paid funds for the appraisal can be counted toward this requirement. If this requirement is not met then the buyer must contribute cash at closing showing on the HUD.
- Gwinnett County is **exempt from intangible taxes** since it is a governmental body.
- **Gwinnett County requires the homebuyer to purchase owner's title insurance** and requests a copy of the declaration page in the returned closing documents.
- Program staff will deliver the program homebuyer assistance check to the closing attorney. *There is nothing required from the lender in relation to the provision of the homebuyer assistance check.*
- For all NSP closings, the program check is a hard check drawn on Gwinnett County general funds issued to the buyer in the amount of \$22,500.00. For HOME program closings, the program check is a hard check provided by the Gwinnett Housing Corporation in the amount of \$14,975.00. The buyer must endorse this check at the time of the closing and present this check to the attorney for deposit to the firm's escrow account to cover homebuyer assistance for this closing. Our program requires a copy of the endorsed check in our closing documents from the closing.