

WASATCH COUNTY HOUSING AUTHORITY

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Down Payment Assistance Loan Guidelines Effective December 21, 2020

Applicant Eligibility Requirements:

- May not have owned a home in the last three (3) years.
- U. S. citizen or legal permanent resident of the United States.
- Must have employment in Wasatch County, or in the alternative, a valid, executed contract for future employment within Wasatch County.
- Gross household income from all sources, including, but not limited to, employment, church/charitable donations, pensions, workers compensation, unemployment benefits, social security, alimony and child support, and AFDC/TANF, projected for the next twelve (12) months, may not exceed eighty (80) per cent of the Area Median Income (AMI) of Wasatch County for the actual applicant household size:

<u>Size</u>	<u>Max. Inc.</u>	<u>Size</u>	<u>Max. Inc.</u>	<u>Size</u>	<u>Max. Inc.</u>	<u>Size</u>	<u>Max. Inc.</u>
1	\$49,504	2	\$56,576	3	\$63,648	4	\$70,720
5	\$76,378	6	\$82,035	7	\$87,693	8	\$93,350

- Wasatch County subject property must be under contract by applicant.
- Applicant must invest a minimum amount of \$4000.00 into the purchase of the subject property. This money may be in the form of earnest money applied towards the purchase price and/or the payment of lender fees.
- Prequalified by a first mortgage lender for the purchase price of the contracted subject property.
- Prior to closing, applicants must complete an approved home buyer education class or personal financial counseling session. Approved source list will be provided.

Loan Amounts:

- Loan amount can be up to 5% of purchase price of home (no less than \$2500) located in Wasatch County, based on the actual need, as determined and communicated by the first mortgage lender.

Interest Rate: Two (2) per cent per annum amortized over thirty (30) years.

Fees/Pre-Paid Interest: There are no fees or pre-paid interest associated with these loans.

Assumability: All down payment assistance loans can be assumable as long as new owner meets the same requirements as determined and approved by the WCHA. Home must remain owner-occupied throughout life of loan.

Use: Funds may be used towards the down payment on a new or existing single family residence or condominium located in Wasatch County and may not be used to cover any closing costs. The first mortgage when combined with a second mortgage, as well as any other mortgages, grants, gifts, etc., may not result in cash back to the borrower. The sum of all financing may not exceed 100% of the cost to acquire the property plus any normal pre-paid expenses.

Subordination: At the sole discretion of WCHA, a loan may be subordinated if the borrower's account is current and payments have never been thirty (30) days late. Subordination will not be made lower than second position on the property title and may not be granted if borrower is attempting a cash-out refinance. Subordination fee is \$100.

Approval: Applications are reviewed on a monthly basis or more often, as needed. The approval is valid for six (6) months from the date of approval during which time construction on a new home must begin or the closing on the purchase of an existing home must take place. Applicants may reapply after a six (6) month approval period has lapsed.