

North Andover Down Payment Assistance Program Fact Sheet

This program provides down payment and closing cost assistance to low and moderate income first-time homebuyers purchasing single family homes or condominiums in North Andover. It is not available for multi-family homes. The following describes the program. The disclosure statement provides additional detail and should be read as well. Please contact Coastal Homebuyer Education, Inc. at (978) 992-4106 with any questions.

Who is eligible?

- All members of the household must be first-time homebuyers.
- You must complete a first-time homebuyer education course approved by Massachusetts Housing Partnership prior to purchase. These classes can be found at www.CHAPA.org under Looking for Housing?/ Homebuyer Workshops.
- The household must meet income guidelines as determined by submission of a detailed application including supporting documentation.

What are the maximum income limits?

The following gross annual income limitations apply:

No. in Household:	1	2	3	4	5	6
Income Limit:	\$59,800	\$68,300	\$76,800	\$85,300	\$92,200	\$99,000

(effective May 2010 - subject to change)

Do liquid asset limitations apply:

There is no liquid asset limitation for eligibility for the program. However, you may own no more than \$20,000 in liquid assets after closing, excluding retirement funds. In addition, you must provide a down payment equal to at least 1.5% of the home's purchase price from your own funds.

How much assistance is available?

The amount of down payment assistance provided is such that no more than 33% of your household's gross household income is needed to pay principal, interest, taxes, insurance and condominium fees. The amount of assistance will be determined according to household need and may change prior to purchase.*

What are the requirements for repayment?

You are not required to pay interest on the loan. However, all or a portion of the principal must be repaid if you sell your home or undertake a "cash-out" refinancing within ten years after the date of the loan closing:

☐ 100% repayment if home is owned less than 5 years;

☐ 20% reduction in repayment requirement for every full year elapsed since the purchase between 6 and 10 years;

☐ No repayment required if home is owned at least 10 full years. In addition, you must use the home as your primary residence during the term of the loan.

* This amount is subject to an absolute maximum of the lesser of 10% of the purchase price or \$30,000. The actual amount has always been considerably less than the absolute maximum. In 2009 the assistance ranged from about 5% to 8%.