

# MHO Downpayment Assistance



## Do you need some extra help with your home purchase?

### What is the Downpayment Assistance Program?

The Downpayment Assistance Program (DAP) offered through Mountain Housing Opportunities, Inc. (MHO) is a loan fund that is designed to fill the cash gap between the amount of your first mortgage and the total cost to purchase a home. While these loan funds can be used to cover a downpayment, they can also be used to cover closing costs and/or be used to simply increase the purchase price of the house. . The maximum loan amount is \$30,000 in the City of Asheville, \$25,000 in Buncombe, Henderson, and Madison counties, and \$20,000 in Haywood county.

### When MHO receives a loan application, three main components are reviewed for approval:

1. Are you eligible for the program?
2. Are you using a first mortgage loan product compatible with this program?
3. Does the property meet MHO DAP requirements?

### Who is eligible?

- Households earning 80% or below the Area Median Income (AMI)
- Borrowers with at least one year of stable employment
- Borrowers who are not currently homeowners
- Borrowers able to contribute \$1,000 of their own funds towards the purchase
- Borrowers with acceptable credit scores

### 2019 Income Limits

Maximum Annual Income Limits*			
Household Size	Buncombe & Henderson Counties	Haywood County	Madison County
1	\$37,200	\$32,850	\$30,950
2	\$42,500	\$37,550	\$35,350
3	\$47,800	\$42,250	\$39,750
4	\$53,100	\$46,900	\$44,150
5	\$57,350	\$50,700	\$47,700
6	\$61,600	\$54,450	\$51,250

\*Inquire for larger family sizes

### What first mortgage products are compatible with the program?

MHO routinely works with USDA Guaranteed, FHA, NCHFA HomeAdvantage, USDA 502 Direct, and conventional first mortgage loan products. Additionally, MHO will work with portfolio loans offered through a lender as long as it meets MHO guidelines. It is important to let your first mortgage lender know that you intend to apply for MHO DAP funds so that they may determine loan compatibility. Upon request, MHO can provide referrals to local lenders that routinely work with our Downpayment Assistance Program.

### Does the property meet MHO program guidelines?

- Property must be located in Buncombe, Henderson, Madison or Haywood Counties.
- Property must be either a stick-built home, modular home, townhouse or condominium. *No manufactured housing.*
- Borrower must submit a home inspection for MHO review. Any repairs that MHO requires must be completed prior to closing
- No construction loans
- Borrower must be primary resident in the home

- Depending on the funding source MHO uses to fund the loan, there may be extra property requirements.
- The maximum contract purchase price for new construction is \$252,000 in Buncombe County and \$242,000 in Henderson and Madison Counties, and \$227,000 in Haywood County.
- The maximum contract purchase price for existing homes is \$252,000 in Buncombe County, \$242,000 in Henderson and Madison Counties, and \$179,000 in Haywood County.

### Education Requirement

Program participants must complete an OnTrack Financial Education & Counseling Services home-buyer education course before the close of the loan. On Track (828-255-5166) offers both evening and weekend courses.

### MHO Loan Terms

There are no monthly payments on MHO loans until the earlier of the following dates:

- The date the property is sold or transferred by the Borrower
- The date a default occurs on the first mortgage
- The date the property ceases to be the Borrower's primary residence
- The note's maturity date

### Amount of Repayment

The loan offered through MHO contains an Equity Sharing mechanism whereby the MHO loan appreciates at the same rate as the property. For further information, and a detailed outline of the repayment structure, please contact MHO.



**Kelly Nossiter, DAP Loan Officer**  
**Mountain Housing Opportunities, Inc.**  
**64 Clingman Avenue, Suite 101, Asheville, NC 28801**  
**828-254-4030, x127**  
**[www.mtnhousing.org](http://www.mtnhousing.org)**



We are an equal opportunity loan administrator and lend without regard to race, age, gender, disability, familial status, religion, national origin, sexual orientation, or any other protected status.

