



# Downpayment Assistance

**Don't let a downpayment keep you out of the housing market.**

## **What is the Downpayment Assistance Program?**

The MHO Downpayment Assistance Program (DAP) 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. Loan funds can be used to cover a downpayment, to cover closing costs, or to simply increase the purchase price you can afford. The maximum loan amount is \$40,000 in the City of Asheville and \$30,000 in Buncombe, Henderson, Madison and Haywood counties.

## **Who is eligible?**

- Households earning 80% or below the 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
- Borrowers with acceptable credit scores
- Borrowers who have lived in WNC for at least one year

## **What first mortgage products are compatible?**

MHO routinely works with USDA Guaranteed, NCHFA Home Advantage, USDA 502 Direct, and conventional first mortgage loan products. MHO will also work with portfolio loans offered through a lender as long as they meet MHO guidelines. It is important to let your first mortgage lender know that you intend to apply for MHO DAP funds so that they can determine loan compatibility. MHO can provide referrals to lenders that routinely work with our program.

## **Does the property meet program guidelines?**

- Property must be primary residence of borrower
- Property must be located in Buncombe, Henderson, Madison or Haywood Counties
- Property must be a stick-built home, on or off frame modular home, townhome, or condominium
- No manufactured housing

- No construction loans
- A property inspection must be submitted for review. MHO may require that repairs be completed prior to closing.
- Additional property requirements may apply, depending upon MHO funding sources.

## Education Requirement

Program participants must complete an OnTrack Financial Education & Counseling Services home-buyer education course before the close of the loan. [www.ontrackwnc.org](http://www.ontrackwnc.org)

## MHO Loan Terms

There are no payments on MHO loans until

- the property is sold or transferred.
- a default occurs on the first mortgage.
- the property ceases to be your primary residence.

## Amount of Repayment

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

Maximum Annual Income Limits*		
Household Size	Buncombe Henderson Madison Counties	Haywood County
1	\$47,600	\$42,000
2	\$54,400	\$48,000
3	\$61,200	\$54,000
4	\$68,000	\$60,000
5	\$73,450	\$64,800

**\*Inquire for larger family sizes**

**Mountain Housing Opportunities, Inc.**  
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