



CITY OF TAMARAC
FIRST-TIME HOMEBUYER PURCHASE ASSISTANCE PROGRAM
FINANCING GUIDELINES

1. Applicants must obtain a pre-approval letter from a financial institution.
2. The Lender is expected to provide clients with favorable rates (fixed rate), charges, costs and fees commensurate with the tenet of Affordable Housing and CRA lending practices.
3. First mortgage shall be for a term no longer thirty (30) years.
4. First mortgage must be greater than City's soft second lien.
5. Fixed Interest Rate Loans – No adjustable rate mortgages (ARMS) or balloon payments.
6. Purchase price of property must not exceed \$382,194 (*subject to change pending federal guidelines*).
7. No pre-payment penalties.
8. No add-on fees are permitted for the borrower.
9. No cash to buyer at closing.
10. No seller financing.
11. Hazard, flood and windstorm insurance policies are required as deemed necessary and must insure the property for an amount sufficient to cover each lender's interests, including the City's.
12. A Home Inspection is required, and a copy must be forwarded to the City of Tamarac prior to closing. Property must pass full home inspection (which includes roof, termite, electrical, structural, and plumbing) prior to closing.
13. Property taxes and insurance must be escrowed for the life of the loan.
14. Maximum debt ratios: 35% front end and a back-end ratio of 45%.
15. Combined loan-to-value not to exceed 105% of the appraised value.
16. The maximum allowable fees to the borrower must not exceed 2% of the loan value.
These fees include but are not limited to: application fee, appraisal review, closing fee, commitment fee, discount points, document preparation fee, origination fee, processing fee, underwriting fee, partner fee, administration fee, notary fee, tax service fee and any other lender charges.

17. Appraisal Fees charged at Prevailing Vendor Cost.
18. Credit Report charged at Prevailing Vendor Cost.
19. Roof/Termite Inspections charged at Prevailing Vendor Cost.
20. Recording Fees charged per State regulations.
21. Mortgage Broker fees nor other fees outside the prescribed schedule of fees are not permitted to be charged to the borrowers.
22. Homebuyer is responsible for contributing a minimum of 1% of the contract price towards closing. Applicant(s) who have monetary assets exceeding \$25,000 must contribute one-third (1/3) of the funds toward the purchase, except if the applicant has funds in a retirement fund accessible only by termination or retirement.
23. The maximum purchase assistance that may be awarded is \$60,000 for households with income that does not exceed 50% of Area Median Income (AMI), 50,000 for households with income that does not exceed 80% of Area Median Income (AMI) and \$40,000 for households with income that exceeds 80% AMI but at or below 120% AMI. Award is subject to City Staff review.
24. The City's consultant, Housing Foundation of America, Inc., will process purchase assistance files. A processing fee to Housing Foundation of America, Inc. of \$900 will be deducted from the purchase assistance amount at closing.
25. The City of Tamarac reviews all final loan packages and inspection reports to determine program eligibility. Lenders must forward all, appropriate loan processing documentation, including copies of three credit reports (preferably from all 3 agencies) for all applicants, sales contracts and property inspections to the City of Tamarac.
26. Lender will be required to complete a client data form (will be provided by the City of Tamarac).
27. City of Tamarac must receive a copy of the Closing Disclosure statement at least 48 hours prior to closing.
28. No Friday closings allowed.