Homebuyer Assistance Loan

Are you an MMP-approved lender?

If so, we swould love to partner with you to help more first-time homebuyers in NW Baltimore City.

To get started:

1. Reach Out to CHAI: Contact Kenny Hobbs at khobbs@chaibaltimore.org to request access to our secure lender portal.
2. Get Set Up: Once your account is set up, you'll be able to apply for loans on behalf of your clients and upload supporting documents through our secure portal.
3. Support Your Clients: Help eligible first-time homebuyers access up to $10,000 in closing cost assistance through CHAI's Homebuyer Assistance Loan Program.

Overview

The Homebuyer Assistance Loan Program is designed to provide lenders and banking partners with an invaluable resource to support first-time homebuyers in Baltimore City. By partnering with us, you can offer your clients an affordable, flexible loan option to help them reach their dream of homeownership.

Eligibility Criteria

To apply for the Homebuyer Assistance Loan, applicants must meet certain eligibility criteria. The household income restriction, detailed on page 2, considers the incomes of all adults living in the property. Eligible homeowners must reside in one of the designated areas listed on page 2.

Program Details

- **Loan Amount**: Up to $10,000 for closing costs or buyers' fees.
- **Loan Terms**: 10-year term loan with zero interest. For the first 5 years, no monthly payments are required. At the start of the 6th year, the loan re-amortizes, and the borrower will begin making monthly payments for the balance of the term.
- Borrowers can make up to 100% of the area median income (AMI) based on household size.
- Borrowers must be first-time homebuyers (defined as not having owned a principal residence in the past three years).
- Funds cannot be used to meet borrowers' equity requirements for home purchase.
- Can be combined with other assistance programs.
- All borrowers must complete a one-on-one counseling session with a HUD approved housing counselor prior to sales contract.

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Eligible Neighborhoods	Cheswolde, Cross Country, Fallstaff, Glen, and Mount Washington
Minimum Credit Score	640 for at least one borrower
DTI	50%
AMI Limits	Total household income must be at or below 100% AMI based on household size. Household income includes all forms of income from individuals aged 18 or over living in the household.
Income Limits	See table below
Eligible Properties	Single-family detached, semi-detached, town home, or condo. Must be an owner-occupied property. *CHAI loans are secondary mortgages secured by the home. The Deed of Trust will be recorded in the appropriate Land Records jurisdiction.
Homeowners Insurance	The homeowner is required to maintain a Homeowners Insurance policy covering at least the current value of the property, including all improvements. CHAI must be listed as an additional mortgagee on this policy. Proof of coverage must be provided to CHAI. Must meet the first mortgage loan requirements. The mortgagee clause in the property insurance policy must recognize the second lien mortgage loan and clearly set out CHAI's interest in the policy.
Maximum Acquisition Costs	$483,900
First-Time Homebuyers	Clients who haven't owned a principal residence in the past 3 years.
Restrictions	• Property must remain primary residence. • If borrowers choose to refinance their home to receive cash out or receive a HELOC during the term of the loan, they will be required to pay off their CHAI loan.
Origination Fee	$500 *All origination fees and settlement fees will be deducted from the loan amount.

Income Limits:

# of Individuals in Household	**1 - 4**	**5**	**6**	**7**	**8**
Household Income	$122,200	$132,050	$141,900	$151,750	$161,600