



Homebuyer Assistance Loan

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. 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.
- This loan 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 Area | Homes in the 21215 zip code including the neighborhoods of Cheswolde, Cross Country, Fallstaff, Glen, and Mount Washington. |
| Minimum Credit Score | 640 for at least one borrower |
| Maximum Debt to Income Ratio (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. |
| Loan Restrictions | <ul style="list-style-type: none">• Maximum down payment of 10%• Liquid asset cap is 20% of purchase price (excluding retirement) |
| Eligible Properties | Single-family detached, semi-detached, town home, or condo. Must be an owner-occupied property. <i>*CHAI loans are secondary mortgages secured by the home. The Deed of Trust will be recorded in the appropriate Land Records jurisdiction.</i> |
| Homeowners Insurance (HOI) | 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 | \$499,650 |
| First-Time Homebuyers | Clients who haven't owned a principal residence in the past 3 years. |
| Other 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 <i>*All origination fees and settlement fees will be deducted from the loan amount.</i> |