



Homebuyer Incentive Grant

A \$5,000 forgivable loan for first-time homebuyers in northwest Baltimore

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 \$5,000 in down payment and closing cost assistance through the Homebuyer Incentive Grant.

Overview

CHAI's Homebuyer Incentive Grant is designed to provide lenders and banking partners with another resource to support first-time homebuyers in Baltimore City. By partnering with us, you can offer your clients an affordable, forgivable loan option to help them reach their dream of homeownership.

Eligibility Criteria

To apply for CHAI's Homebuyer Incentive Criteria, applicants must meet certain eligibility criteria. Eligible homeowners must reside in one of the designated areas listed on page 2.

Program Details

- Up to \$5,000 for down payment and closing costs.
- The loan is reduced by 20% each year on the anniversary of the loan and forgiven after 5 years in the home.
- Borrowers can make up to 150% 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).
- Can be combined with other assistance programs.
- All borrowers must complete a homebuyer education class and 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%
Area Median Income (AMI) Limits	Total household income must be at or below 150% 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 5%• 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 your house. 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 Cost	\$499,650
First-Time Homebuyer Restrictions	<ul style="list-style-type: none">• Clients must not have owned a principal residence in the past 3 years• Property must remain primary residence• Property must be owner-occupied
Origination Fee	\$350 <i>*All origination fees and settlement fees will be deducted from the loan amount.</i>