



**CLEVELAND HEIGHTS
HOUSING PRESERVATION OFFICE
40 SEVERANCE CIRCLE
CLEVELAND HEIGHTS, OHIO 44118**

**DOWN PAYMENT ASSISTANCE LOAN PROGRAM
FOR ELIGIBLE OWNER-OCCUPANT APPLICANTS:**

- \$10,000 towards a single family home
- \$10,000 towards a two family home
- \$20,000 towards a single-family new construction home at Bluestone Development or East Derbyshire Project

This loan is deferred, interest free and will be forgiven at the rate of 1/60th per month beginning in the sixth year of continued owner-occupancy. This down payment assistance loan is forgiven during years 6 through 10. The loan is secured by a second mortgage and a promissory note. Applicant(s) must be at or under the following income guidelines for their household size:

| <u>Household Size</u> * | <u>Gross Income Limit</u> * |
|-------------------------|-----------------------------|
| 1 | \$ 36,300 |
| 2 | \$ 41,500 |
| 3 | \$ 46,700 |
| 4 | \$ 51,850 |
| 5 | \$ 56,000 |
| 6 | \$ 60,150 |

* (Call 291-4869 for income limits on household sizes not listed)

Applicants must also meet the following requirements:

- (1) Receive certification of completion of pre-purchase and home maintenance counseling from a H.U.D. approved agency,
- (2) Contribute a minimum of 3.5% of the purchase price towards the first mortgage (gift funds also eligible),
- (3) Receive approval and a first mortgage commitment for the purchase of the home from a mortgage lender.

The mortgage loan rate and other possible fees such as broker fee, origination fee and points must not be excessive for the type of mortgage obtained by the buyer: conventional, FHA or V.A. No prepayment penalties or balloon payments.

THE PROPERTY MUST BE INSPECTED FOR CODE VIOLATIONS AND DEFECTIVE PAINT.

- Property must be occupied by the seller or vacant at least 90 days.
- Defective paint issues must be satisfied prior to application and initial inspection by the City of Cleveland Heights.
- Health and safety code violations must be satisfied before the owner can receive approval to occupy the home.

Applications are available at www.clevelandheights.com or from the Housing Preservation Office.

The applications are submitted through your first mortgage lender. Applications should be mailed or delivered to the address shown above.

Call Lori Sanford at (216) 291-4869 for additional information.