



The City of Kenner

Community Development Department

Homeownership Assistance Program



Information Packet

First-Time Homebuyers Training

Program Description and Objectives

The homebuyer education class explains the home-buying process to prospective homeowners, especially first time home-buyers. Topics include: financial preparedness, renting vs. owning, how much house you can afford, working with professionals to find an ideal home, home maintenance and energy management, buyer assistance programs, mortgages, closing costs and homeowners insurance. The overall objective of this program is to develop the skills necessary for potential homebuyers to select and finance a home. In addition, by meeting educational requirements for some grants and loans the course removes some of the economic barriers to homeownership for low-to moderate-income participants.

The First-Time Homebuyers Training program compliments the HOME Investment Partnership program, which provides gap financing in the form of a soft second mortgagee to address the affordability gap faced by low – moderate income households desiring to purchase their first home. It meets the need for information about the home buying process for low to moderate-income families. Further, it expands the financial resources of these families by assisting them in meeting the educational requirements of special programs targeted to remove the economic barriers of homeownership for first-time buyers. The long-term outcome of this program is to increase the homeownership rates in the City of Kenner.

In order to enhance the content of the class and to provide financial assistance to the program participants, partnerships were formed with the following agencies to deliver the class: Consumer Credit Counseling of Greater New Orleans, Inc.; Jefferson Community Action Program (JEFFCAP); New Orleans Neighborhood Development Foundation; Family Resources of New Orleans; Sulli Educational Services; and POSE - People's Organization for Social Equality. In addition, these agencies also provide Financial Fitness classes certified by the Louisiana Homebuyer Education Collaborative.

Target Audience

Those assisted will be low-income and moderate-income families who desire to obtain the skills and knowledge necessary to become responsible homeowners. Referrals from real estate agents within the local jurisdiction, as well as other potential homebuyers interested in affordable housing will also comprise the target audience for this program.

Outcomes/Anticipated Outcomes

- Potential homebuyers acquire skills to purchase and finance a home.
- Participants meet educational requirements to secure secondary market financing and to receive discounts on mortgage insurance
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- Promotion of interagency cooperation addressing housing problems

Eligibility

Applicants must meet the following requirements:

- Applicants must be a first-time homebuyer (defined as not having owned a home in the last three years)
- Applicants must not have been disqualified from program participation during the last three (3) years
- Applicants must be a U.S. Citizen or eligible Legal Alien
- Applicant must meet income eligibility according to the maximum allowable annual household income as defined by HUD annually according to household size.

Household Income Limits

Household Size	1	2	3	4	5	6	7	8
Maximum Income	\$29,950	\$34,200	\$38,450	\$42,750	\$46,150	\$49,600	\$53,000	\$56,450

Class Assistance

Applicants will be placed in classes based upon:

- Applicant preference
- Availability
- Affordability

The amount of assistance per applicant **will not** exceed \$200.00

THE HOMEOWNERSHIP ASSISTANCE PROGRAM

The **Homeownership Assistance Program**, established and administered by the City of Kenner Department of Community Development, is designed to assist low, moderate, and median income households interested in purchasing a home in Kenner. Our program will bring homeownership closer to those families whose gross annual household incomes are at or below 70% of the Area Median Income as defined by HUD. See *table 2 below*. Successful applicants will be eligible for a deferred payment loan, i.e. grant, up to **\$40,000.00** to be used to reduce their primary mortgage loan amounts. This is a soft second mortgage which will be forgiven according to specific grant terms and an affordability period established by HUD (see Table 1). For example: An applicant receiving \$20, 000.00 in assistance would be required to live in the home for ten (10) years in order that the loan is fully forgiven and therefore not repayable. Program participants are required to complete a first-time homebuyers training course and meet with a Housing Specialist one on one to go over budget, credit, mortgage financing and program requirements.

Amount of Assistance	Occupancy Period
Less than \$15, 000	5 years
\$15, 000 - \$40, 000	10 years
More than \$40, 000	15 years

Grant Terms

The amount of the deferred payment loan, i.e. grant amount , is based on the financial need of the applicant's household, selling price of property, and household assets.

Repayment of these funds are required if the home is:

- Sold, conveyed, granted or otherwise transferred during the occupancy period;
- Vacated or abandoned as a primary residence during the prescribed occupancy period ;
- Used as investment or income producing property.

Eligible properties must:

1. Be an existing or newly constructed single family residence located in the City of Kenner;
2. Be owner-occupied and serve as the applicant's primary residence
3. Be a single unit dwelling; no rental or investment property
4. Meet local codes, Housing Quality Standards, and lead based paint standards
5. Be acceptable to the primary lender and insurer of the property.
6. Have a contracted sales price that does not exceed Program's determined affordability.

The current maximum purchase price allowable is \$218,500.00.

Property Requirements

Homes built before 1978 will not be eligible for program participation if a visual inspection determines deteriorated paint conditions (cracking, scaling, chipping, peeling, chalky, or loose) due to federal regulations under 24CFR, Part 35 "Lead Based Paint Requirements." Such defective condition(s) if found will permanently disqualify the property from further consideration.

Only owner-occupied or vacant single-family homes (no tenant occupied properties) are eligible to qualify for assistance, and the property must be located in the incorporated areas of the City of Kenner.

Who Is Eligible?

Eligible participants include households that have not owned a home during the past three years. Applicants must not have been disqualified from program participation during the last three (3) years. The annual maximum allowable household income cannot exceed the following limits based on family size as established by HUD. For example: the annual income of a family of four cannot exceed \$42,750.

Applicants Should:

1. Attend a First-time homebuyer and Financial Fitness Training Class and present a Completion Certificate upon applying for the Homeownership Assistance program
2. Be creditworthy and able to qualify for a mortgage
3. Choose a lender and make an appointment to get your loan approved
4. Choose a real estate agent to assist you with finding a home in a neighborhood of your choice
5. Negotiate a purchase agreement with the seller after finding your dream home
6. After the seller accepts your offer, provide a copy of your signed purchase agreement to the lender so you may begin processing your loan.
7. Complete the application for the City of Kenner Homeownership Assistance Program and submit it with supporting documentation to our office. Once the Application is accepted and reviewed by our office, a face-to-face appointment will be scheduled to discuss your application and supporting documents provided.

Processing Requirements

Applications will not be accepted unless they are accompanied by all supporting documentation requested. Processing and funding commitments are on a first-come, first-serve basis. Applications will be held for 60 days maximum from the date of submission. If the proposed home purchase is not complete within 60 days, said application will be cancelled. Applications are available at the Community Development office.

APPLICANTS ARE SEEN BY APPOINTMENT ONLY



Call us if you don't know where to start or have any questions regarding our Homeownership Assistance Program

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