



**Brockton Redevelopment Authority**

**CITY OF BROCKTON – FIRST TIME HOMEBUYER’S PROGRAM**

Down Payment Assistance  
Lender Informational Flyer

Our goal is to work with eligible first-time buyers with the purchase of a 1-2 family residential property to increase homeownership in the City of Brockton.

- The City of Brockton through the Brockton Redevelopment Authority (BRA) and NeighborWorks Housing Solutions (NHS) is offering financial assistance to low-to-moderate income, first-time eligible homebuyers through the First Time Homebuyers’ Down Payment Assistance Loan Program (FTHP Loan). Funding for this program is available under the U.S. Department of Housing & Urban Development’s (HUD) HOME Investment Partnerships Program (HOME). The approval of funding is based on the amount of assistance needed at the closing.
- The FTHP offers funding of up to 3.5% of the purchase price for a maximum of \$15,000 financial assistance through a zero-interest deferred loan, repayable in the event of property transfer of ownership or loan refinancing (except for rate and term of the loan). The funds are subject to availability. Loan payments will be deferred until there is a change in ownership or the property ceases to be the homebuyer’s primary residence.

Below are some highlights of the Program which may be helpful to you in preparation of the closing.

**I. Eligibility Criteria:**

1. Household income (all sources) must not exceed the following gross annual limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$51,800	\$59,200	\$66,600	\$74,000	\$79,950	\$85,850	\$91,800	\$97,700
80% of Area Median Income Limits Adjusted for Household Size. Source: HUD, June 28, 2019							

2. Purchase price cannot exceed \$373,000 for an existing and \$411,000 for a new construction of single-family residence or \$478,000 for an existing and \$527,000 for a new construction of two-family residence; Program does not allow for the purchase of condos and three-units residential dwellings.
3. Property must be in the City of Brockton, although applicant does not have to be a current resident of Brockton. Local residents are given priority.
4. Applicant and his/her spouse must be a first-time homebuyer;
5. Neither applicant nor his/her spouse can have a deeded interest in any property in the past three years;
6. All household members must be legal residents of the United States in order to receive Federal housing assistance;
7. Neither applicant nor his/her spouse can have more than \$30,000 in cash assets (excluding 401K’s, College Savings, and other retirement accounts);
8. Applicants must qualify for a conventional or government sponsored fixed interest rate mortgage with a lender of their choice\*;

9. Applicants must contribute at least 1.5% of the purchase price to the down payment requirement for single family purchases and 2.5% for multi-family purchases;
10. Applicants must be the owner of the property after purchase;
11. Applicants must occupy the property as their principal residence;
12. Each applicant must complete an approved first time homebuyer training workshop and submit a First Time Homebuyer Program Certificate (visit [www.chapa.org](http://www.chapa.org), [www.buybrockton.org](http://www.buybrockton.org), and/or [www.nhsmass.org](http://www.nhsmass.org) if you need to sign up for a homebuyer class);
13. Each applicant must also complete an approved post purchase workshop and submit a Program Certificate to the BRA within one year after the closing. A list of Homebuyer Counseling Agencies will be provided by the BRA.
14. Applicants must agree to maintain property hazard insurance, make timely property tax payments, and perform general property maintenance and upkeep of the home;
15. The amount of assistance received should be used to bring the participant's housing-to-income ratio between 35-38% of gross monthly income. The PJ will consider providing subsidies to participants whose housing-to-income ratio exceeds 38% provided that their debt-to-income ratio does not exceed 50% of gross income and the senior lender details the compensating factors resulting in the loan approval. The said ratios will apply for both single-family and two-family purchases;
16. Property must meet federal, state and local housing quality standards and code requirements;

\*For a list of local participating lenders please visit: <https://buybrockton.org/lenders-2/>

Applicants who do not meet all the requirements listed above are not eligible for assistance through this program.

## II. HOME Commitment

As soon as you have issued a pre-approval letter to the buyer, the buyer should submit it to NeighborWorks, along with a FTHP Application. Applications can be found here:

[https://brocktonredevelopmentauthority.files.wordpress.com/2019/12/2019-fthb-application\\_12132019.pdf](https://brocktonredevelopmentauthority.files.wordpress.com/2019/12/2019-fthb-application_12132019.pdf)

**Once we confirm the buyer's eligibility, we will issue a conditional pre-approval letter to the buyer and copy you.**

## III. Loan Documents

A. Below is a list of documents we will prepare for the closing:

1. HOME Mortgage – to be recorded and included on buyer's CD
2. Homebuyer Agreement – to be recorded and included on buyer's CD
3. HOME Note
4. NeighborWorks Mortgage – if additional funds are being provided
5. NeighborWorks Note – if additional funds are being provided

B. Below is a list of items we will need from you *prior to closing*:

1. Loan Application
2. Loan Estimate
3. Commitment Letter
4. Appraisal
5. Smoke & Carbon Monoxide Detectors Certificate
6. Offer to Purchase
7. Purchase & Sale Agreement
8. Two Months Consecutive of Paystubs & Tax Returns
9. Documentation of all Source of Income
10. Three Months of Rent Receipts
11. First Time Homebuyer Workshop Certificate
12. Closing Disclosure

13. Insurance Binder showing the BRA as 2<sup>nd</sup> loss payee
14. Copy of Driver's License (all household members 18+)

C. Below is a list of items we need from you *after the closing*:

1. HOME Promissory Note – original signed copy
2. Fully executed Closing Disclosure

If you have any questions about the program, please contact either of the following:

Zaias Andrade – HOME Housing Specialist  
Brockton Redevelopment Authority  
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Brockton, MA 02301  
(508) 586-3887 x3

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Cindy Pendergast – Brockton Program Director  
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