

LEE COUNTY HUMAN AND VETERAN SERVICES
CDBG HOMEOWNERSHIP ASSISTANCE PROGRAM

1. The CDBG Homeownership Assistance Program provides down payment assistance to those who qualify. Lee County will determine the minimum amount of assistance. The intent of the CDBG Homeownership Assistance Program is to provide what is needed and not to provide a standard subsidy amount.

Lee County will determine the amount of assistance and will consist of up to 50% of the lender required minimum down payment. Additional subsidy may be given (if needed) to ensure the projected housing payment will be no more than 35% of the household's gross monthly income. In no case will the assistance given by Lee County's CDBG Homeownership Assistance Program exceed \$75,000. Purchaser will be responsible for 50% of the lender required minimum down payment PLUS closing costs (can be purchaser's funds, earnest money deposit, gift funds, possibly through another down payment/closing cost assistance program or seller contribution). If all of the approved funds are not utilized at the closing, the title company will be required to issue a refund payable to Lee County BoCC, c/o Lee County Human and Veteran Services.

The home being purchased must appraise at or above the sales price in order to qualify for assistance. The **homebuyer cannot receive any cash back at closing for any reason and CLOSING COSTS ARE INELIGIBLE under this program.**

2. Lee County does not require a minimum credit score for CDBG program approval.
3. Homebuyer must be able to obtain a commitment for a **new** first mortgage (not an assumption) from a lending institution (30 year, fixed rate; no ARM or balloon mortgage and no prepayment penalties allowed). Property taxes and homeowner's insurance must be escrowed. **NOTE: Non-occupying co-borrowers/co-signers are NOT allowed. Any borrower not on Lee County's mortgage and note cannot be on the deed.**
4. Must be purchasing a single family home, condo, or PUD in **Unincorporated Lee County, Florida.** Mobile/manufactured homes, duplexes or homes with attached or detached *mother-in-law* units are **not** eligible. Homes with **in-ground pools of any type are not allowed.**
5. The home can be an existing home or a new construction home that has received its certificate of occupancy. **MAXIMUM PURCHASE PRICE IS \$380,000.**
6. The house being purchased must be: **currently occupied by the owner, vacant, or occupied by the homebuyer.** At the time the buyer and seller enter into a contract (all the way through to the closing), the house cannot be occupied by tenants not purchasing the property.
7. Homebuyer's household must meet HUD's guidelines for low-income households:

HUD's Guidelines effective June 15, 2023			
Family Size	Maximum Gross Annual Household Income	Family Size	Maximum Gross Annual Household Income
1	\$47,700	5	\$73,550
2	\$54,500	6	\$79,000
3	\$61,300	7	\$84,450
4	\$68,100	8	\$89,900

8. Homebuyer must attend a HUD certified homebuyer education workshop/class and **provide a certificate of completion to Lee County**. The certificate cannot be more than 12 months old at the time of the closing. You can contact one of the following agencies to sign up for the class:

- Lee County Housing Development Corporation
Phone: 239-275-5105
- Affordable Homeownership Foundation Inc.
Phone: 239-689-4944
- Housing Authority of the City of Fort Myers
Phone: 239-344-3220
- Habitat for Humanity of Lee & Hendry Counties
Phone: 239-652-1675

9. Homebuyer does not need to be a first time homebuyer, but **cannot own any other homes at the time of application**.

10. Married couples living separately, or planning to live separately are **not eligible** for assistance. **All household members must be U.S. Citizens or have Permanent Resident status.**

11. **We place a five-year (5) second mortgage on the property being purchased.** Zero percent interest (0%) and no monthly payments will be due. The second mortgage is self-amortizing and will reduce at a rate of 20% per year. Homebuyer must agree to occupy the property as their principal residence and maintain a homestead exemption during the five (5) year second mortgage term. As long as the property is occupied as a primary homesteaded residence for the five-year term, a satisfaction of mortgage will be given, and the second mortgage will not have to be repaid. If, during the five-year term, the property is sold, transferred, leased, **or first mortgage is refinanced**, or is not owner-occupied and homesteaded, then the prorated balance of the second mortgage will be due and payable. Future requests for subordination will be considered on a case by case basis. Annual monitoring of properties will take place during the second mortgage term including random site checks to ensure that properties are still owner-occupied.

12. **Mortgage payment must be affordable. Maximum front-end ratio is 35%**, (total housing payment plus homeowner's association fees, if any, divided by gross monthly income **cannot** exceed 35%). **Maximum back-end ratio is 45%** (total housing payment, plus homeowner's association fees, if any, AND other recurring debts such as credit card payments, car payments, student loans, etc. divided by gross monthly income cannot exceed 45%). There are **NO exceptions** to these maximum debt-to-income ratios. We use the income (and debt) of **all occupying household members** to calculate the debt-to-income ratio. **Another debt-to-income consideration is that the property taxes are based on the current year's (most recent) tax bill, regardless of the property status (unless new construction, in which case we will utilize the Tax Estimator on the Property Appraiser's website).**

If the debt-to-income ratios exceed 35% front-end and/or 45% back-end after the maximum down payment and mortgage subsidy assistance allowed by Lee County's CDBG Homeownership Assistance Program, then homebuyer's application will be denied.

13. All assets (for all household members) will be considered when calculating annual income (i.e.: checking/savings accounts, IRA's, 401(k)'s, CD's, cash value life insurance, etc.)

14. The property **must pass HUD's required inspection**. The Lee County Human and Veteran Services' inspector will perform the inspection. **NOTE: This inspection is NOT a home inspection**. We strongly encourage all homebuyers to obtain a home inspection. If buyer obtains a home inspection, a copy should be forwarded to Lee County. If homebuyer obtains a home inspection, the house must still pass HUD's required inspection. **House must not exceed HUD's guidelines for the number of persons allowed per bedroom.**

15. **If the house being purchased was built PRIOR TO 1978**, the Mortgage Loan Officer or Purchaser will provide Lee County with a lead-based paint inspection **conducted by an EPA/HUD certified inspector or certified lead-based paint risk assessor** indicating a lead-based paint hazard free home. Buyer will have to pay for this inspection. **Inspection should not be ordered until a CDBG Homeownership Assistance Approval has been issued and property has passed Lee County's HUD required inspection.**
16. **The Mortgage Loan Officer applies for the assistance from Lee County (on behalf of the homebuyer).** The Loan Officer completes a (1) lender referral form, (2) includes a completed Homeownership Assistance Application and (3) attaches several required documents as listed on the Homeownership Assistance application checklist and forwards the package to Lee County for review. Mortgage Loan Officers, please note:
- If the title company chosen is not a Lee County Vendor please add one week to the process for set up.
 - The time required to receive a check from Lee County is 2 to 2-1/2 weeks (in addition to file processing time).
 - If the property does not pass the HUD required inspection the project cannot be funded.
 - Checks and closing packages can be released only after the Closing Disclosure has been approved by Lee County.

If you have any questions or need further information please contact:

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Our office is located at:
2440 Thompson Street
Fort Myers, FL 33901

PLEASE CALL FOR FUNDING AVAILABILITY AS FUNDS ARE LIMITED FOR THIS PROGRAM.

Please note that some information may be subject to change without prior notice.

Visit our website for updates: <https://www.leegov.com/dhs/assistance/financial>

