

**NORTH CLACKAMAS REVITALIZATION AREA
 HOMEBUYER ASSISTANCE PROGRAM
 Quick Reference for Lenders**

Type of Loan:	Second mortgage
Secured:	Yes, subordinate to the first mortgage
Rate:	0% deferred payment loan
Term:	Due upon sale, transfer of title, refinance of first mortgage or change of occupancy. Loans are forgiven if the borrower occupies the dwelling as a primary residence for a minimum of 10 continuous years from the receipt of a down payment assistance loan.
Assistance:	Greater of 6% of the purchase price or \$10,000, up to a maximum of \$14,000 for down payment and <i>reasonable</i> closing costs. Closing costs are paid first and the remainder goes to the down payment.
Closing Costs:	Reasonable primary loan fees mean combined loan origination fee and discount points do not exceed 1.75% of the amount of the note. Total closing costs do not exceed 3.5% of the note. (Does not include pre-paids.)
Additional Assistance:	Can be combined with many down payment assistance programs, products and gifts, and with CHAP funds.
First Time Home Buyer Requirement:	Yes. Must not have owned or held an interest in real estate within the last three years prior to closing. Current NCRA residents, single parents and displaced homemakers, retired persons 62 or older, and members of law enforcement and military also qualify.
Buyer's Down Payment:	The borrower must contribute a minimum of \$1,000 or 1% of the sales price, whichever is less, from their own funds.
Eligible Mortgage Lenders:	All FHA qualified lenders may serve as first mortgage lenders.
First Mortgage Programs Allowed:	<p>NCRA loans may be combined with a primary loan that has at least a 30-year term and a <i>fixed</i> interest rate. The primary loan must be mortgage insurable unless the loan-to-value (LTV) rate is less than 80%. The types of loans that are compatible with NCRA loans include:</p> <ul style="list-style-type: none"> ▪ FHA approved ▪ Conventional insured, up to 97% LTV ▪ Conventional uninsured, LTV less than 80% ▪ Any loan with a fixed interest rate at or below the current Oregon Bond Loan rate. <p><i>Note: Leasehold or Land Trust are property ownership types that may not be available with some mortgage loans. Consult the Clackamas Community Land Trust about loan types that may be used in combination with NCRA loans.</i></p>
Ineligible loan types:	No contract sales, pre-payment penalties, refinances, ARM's, interest-only, hybrids, combo or second mortgages with variable interest rates or sub-prime loans.

Ratios:	Back-end ratio/risk assessment -- PITI plus all other debt cannot exceed 41%. Higher back-end ratios require approval from the Development Agency's Loan Review Committee and must be supported by sufficient compensating factors as provided by first mortgage lenders.
Income:	Total household income must not exceed 120% of the HUD median income, adjusted for family size for the Portland Metro area.
Assets:	Liquid assets after closing may not exceed \$25,000.
Education:	Buyer must complete eight hours of a homebuyer training class from a HUD-approved agency within one year prior to closing. Buyer must also attend a one-hour orientation at the County. See www.clackamas.us/cd for more information and links to a list of classes.
Eligible Geographic Area:	North Clackamas Revitalization Area (NCRA)
Credit:	<ul style="list-style-type: none"> ▪ Bankruptcy. Chapter 7 and Chapter 13 must have been discharged at least two years prior to closing. ▪ Foreclosure. No foreclosure on real property within the five-year period prior to closing.
Eligible Properties: (Single Family Housing Unit)	<p>A single-family housing unit includes a single unit in a one- to three-family residence, a condominium unit, a cooperative unit, or a combination of manufactured housing and lot. The house must:</p> <ul style="list-style-type: none"> ▪ Be located in the North Clackamas Revitalization Area (NCRA) ▪ Have a maximum purchase price that does not exceed \$335,000 ▪ Meet the property standards contained in 24 CFR 92.251(a)(2), unless an exception is approved by the Development Agency ▪ Be free of chipped or peeling paint if the home was built before 1978 ▪ Be occupied by the seller (owner), the first-time homebuyer or be vacant ▪ Be current on property taxes ▪ Have clear title – the borrower must provide a preliminary title report that is satisfactory to the County ▪ Be large enough to accommodate the size of the household <p>A manufactured housing unit must be:</p> <ul style="list-style-type: none"> ▪ Constructed after June 15, 1976 in accordance with 24 CFR Part 3280 ▪ Installed with permanent tie-downs on a permanent foundation with permanent utility hook-ups ▪ Located on land that is held or being purchased by the homebuyer or by a land trust; and ▪ Taxed as real property, i.e. de-titled, unless otherwise approved by the Development Agency.
Ineligible Properties:	<p>No tenant-occupied properties (unless the buyer is the tenant).</p> <p>Non-conforming uses in a commercial or industrial zone, multi-family, or properties intended as investments or second homes.</p>
Appraisals:	A complete residential appraisal by an Oregon-licensed appraiser is required on all loans regardless of the primary loan product used.

Assumable:	No
Inspections conducted by Clackamas County:	<ol style="list-style-type: none"> 1. Environmental review 2. Property standards inspection 3. Pest and dry rot inspection 4. Lead-based paint assessment: If the home was built before 1978, a visual assessment is required. If deteriorated paint is found (such as peeling, chipping, chalking or cracking interior or exterior paint), the property is not eligible for purchase unless the deficiencies are corrected. All HUD, EPA, DEQ and State requirements pertaining to lead-based paint must be met. <p>If the house passes the property standards inspection and the visual assessment, the purchase process continues. If the house fails the property standards inspection or visual assessment, there are two options:</p> <ol style="list-style-type: none"> 1. Seller corrects the defects and the house is re-inspected (and passes) prior to closing; or 2. The first-time homebuyer shops for a different house.
Other Inspections:	Provide copy of any home inspections by outside company, if completed.
Primary Mortgage Amount:	As of April 2018, the maximum sales price for a single-family residence is capped at \$335,000 under the NCRA program.
Combined LTV:	The combined Loan-to-Value ratio should not be more than 105% of the appraised value.
Impounds:	First lender requirements
Pre-paid's:	NCRA loan proceeds cannot be used to pay mortgage insurance premiums.
Mortgage Insurance:	Not required (see "pre-paids").
Title Insurance:	Not required for the NCRA loan; however, title insurance is required for the first mortgage. The preliminary title report must be satisfactory to the County.
Homeowners Insurance:	Required. Beneficiary is the Clackamas County Development Agency
Seller contributions:	Not required
Prepayment penalties:	None
Late charges:	Not applicable
NCRA Loan Fees:	<p>None. The lender's good faith estimate and the final settlement costs must not include fees for the NCRA loan.</p> <p><i>NOTE: The Clackamas County Recorder's Office does not charge fees for recording NCRA loan documents.</i></p>

Repairs and Rehabilitation:	Prior to closing, the home must meet: <ul style="list-style-type: none">• HUD Housing Quality Standards at 24 CFR 982.401• HUD Property Standards at 24 CFR 92.251(a)(2)• Clackamas County Housing Rehabilitation Standards The owner must keep the property in good, safe condition, suitable for residential use.
Occupancy:	Before sale: The home must be occupied by the seller, the buyer or vacant at the time it is offered for sale. The sale may not displace any renters. After purchase: Borrower must occupy as primary residence for life of loan.
Contact:	Lori Stomps, Loan Processor 503-655-8591

NCRA 2018 Income Limits** Effective April 2018			
Household Size	80% (low)	100%	120%
1	45,600	57,000	68,400
2	52,100	65,200	78,250
3	58,600	73,300	88,000
4	65,100	81,400	97,700
5	70,350	88,000	105,600
6	75,550	94,500	113,400
7	80,750	101,000	121,200
8	85,950	107,500	129,000

** Based on income limits established by HUD. Income limit updates expected each year.

Single Family Mortgage Limit: \$335,000