

boise housing programs **AFFORDABLE HOUSING**



Boise's Affordable Housing Program helps qualified applicants purchase homes.

The City of Boise's Affordable Housing Program

The Affordable Housing Program assists low-to-moderate income households obtain financing to purchase a Class "A" manufactured home on its own land, construct a new home, or purchase an existing home.

Properties must be within Boise's city limits. The City of Boise (City) will provide a second (2nd) deed of trust to assist in the property's purchase when an applicant cannot purchase a home without the City's assistance.

How the Program Works

Application inquiries can be made by phone, fax, email or in person at Boise City's Housing and Community Development office. Applications must be submitted with all the required attachments and fees listed at the top of the application. All applications will be processed on a first-come, first-served basis as funds permit.

After Housing & Community Development receives an application:

- The Housing Program Manager (or designee) will order and review a credit report on each applicant. The applicant will be notified via mail and/or email of any further actions needed. Applicants have 10 business days to respond to the City's request for additional information. If the requested information is not received in the allotted time, or if other eligibility requirements have not been met, the application will be denied and applicants will be notified by mail of this determination.
- Application and copies of information provided to the City by the lender or applicant will be reviewed to insure the eligibility criteria has been met.
- The City will work with outside agencies to help provide loans to families who have special needs or receive assistance through Family Self-Sufficiency, Health and Welfare, or other programs that assist low-to moderate income families or families on a fixed income or with minority status.
- Each applicant will be responsible to find their own lender, home, builder, and/or realtor.
- Boise City's maximum loan amount will be no more than 25% of purchase price or \$35,000, whichever is less, per loan.

Application Process

Applicants must submit the following information with their application:

- Commitment letter from lender of their choice;
- Applicants must pay for a credit report (\$15.10 if single, \$24.45 if married, or the amount deemed necessary by reporting agency) and have a mid credit score of no less than 620. Bankruptcy and

Foreclosure must be 36 months after discharge with 12 consecutive months of credit showing no late payments, collections, charge offs or judgments.

- Drivers license, social security card, green card or I-94, if applicable;
- Proof of where down payment and closing costs will come from (checking, savings, or gift from family). Must be able to close on home within 45 days of loan commitment.
- Any other information deemed necessary to determine eligibility.

Letter of Commitment

After all information has been received and reviewed, and the applicant is determined to be creditworthy and meet income guidelines, the applicant will receive a letter of commitment from Boise City Housing & Community Development. The seller must sign a document authorizing inspections, a HUD Uniform Relocation Act letter and a Lead-Based Paint Inspection Request; all will be attached to the letter of commitment.

- Copies of lender loan package showing proof of income and other necessary verifiable documents (i.e. social security letter of determination of income, bank statements, current Federal Income tax returns) to determine eligibility.

When you find a property and all the necessary documentation requested in your loan commitment letter is received, the loan package will be submitted to the Manager (or designee) for approval. The applicant will be notified by Boise City Housing and Community Development by phone, mail, e-mail, realtor or other lender, so they may proceed with the closing. After the loan package is complete, the City requires a minimum of 72 hours to fund.

Applicant Eligibility

To qualify for the Affordable Housing Program, applicants must:

- 1. Meet the income guidelines**
Applicants must meet the income guidelines determined by the Department of Housing and Urban Development (HUD).
- 2. Be credit-worthy.**
- 3. Qualify for first and second mortgages** using standard mortgage lending criteria with income to debt ratios not to exceed 28-35% for housing and 38-42% for all other debt (not including the City's 2nd loan) but including housing.
- 4. Wish to purchase a home** in the Boise City Limits.
- 5. Provide a Commitment Letter**
Applicants must provide the City with a commitment letter from a lender of their choice for the maximum amount that they can borrow using the above ratios.





Loan Information

Applicants will be required to pay a modest down payment by the first lender as a good faith gesture. However, per HUD these funds may be refunded at closing (if allowed by other funding source) to assist with other costs of homeownership, i.e., appliances, window coverings, utility fees and other items.

Applicant(s) will be required to attend Homeownership Classes provide by Neighborhood Housing Services, Inc. or other designated organizations prior to final approval or loan closing;

Applicants will be required to pay customary closing costs, estimated at \$3,000. Closing costs may be a gift.

Appraisals are required on all homes and must be for at least the purchase price;

Boise City Housing and Community Development is required to provide an Environmental Review on each property. No home or lot can be purchased through this program if it is:

- ◆ On a busy street (3 lanes or more) depending on noise and truck traffic
- ◆ In airport zone
- ◆ Near gas tanks or other hazardous materials
- ◆ In a flood plain area without providing flood insurance

Homes older than 1978 must have a Lead Risk Assessment performed by a licensed Lead Inspector. The assessment fee (normally \$650-\$750) must be paid by the buyer or seller prior to the inspection, as well as the costs of a final inspection, if needed. Any repairs required by the assessment must be completed prior to ordering funds for closing.

A housing code inspection will be required on all existing homes (older than one year and previously lived in) and all repairs must be completed prior to ordering funds for closing and inspected by the City or designee.



The senior Lender will offer its first deed of trust at the current loan fixed rate, for a traditional term. The City of Boise will offer its portion of the financing at rates below the Idaho Housing and Finance Association's posted rates as of the date of the approval and credit commitment. Payments on the City's loan will be deferred initially, which will result in a shortened amortization period once payments on the loan commence. Additional options are available to assist borrowers with affordability.

Boise City's loan will have a prepayment penalty on all loans for a period of no more than 15 years depending on the amount of funds the City loans, compared to purchase price.

Prepayment Penalty

Under the Affordable Housing Program guidelines, there is up to a 15 year prepayment penalty on all loans. All City funds disbursed under this program require enforcement of a prepayment penalty (based on the amount of funds the City put into the home compared to the appraised value) when the home is sold the first time or refinanced during the first 15 years.

Boise City will subordinate their loan only when no equity is taken out on a refinance. These funds will be returned to the program for further distribution to low income families.

Maximum Income Guidelines

These guidelines are subject to change. We are an Equal Opportunity Lender

80% of Median Income

Household Size	Income
1 Person	\$34,800
2 Person	\$39,800
3 Person	\$44,750
4 Person	\$49,700
5 Person	\$53,700
6 Person	\$57,700
7 Person	\$61,650
8 Person	\$65,650

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boise housing programs
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