



PLANNING AND DEVELOPMENT SERVICES

HOMEOWNERSHIP OPPORTUNITY PROGRAM Loan Terms and Underwriting Requirements

The City of Boise (the City) supports homeownership opportunities by providing assistance in the form of a mortgage to qualified homebuyers purchasing homes within Boise city limits. This program is supported through the City's annual funding allocation from the U.S. Department of Housing and Urban Development's entitlement grants, and therefore program requirements align with federal regulations and guidance from the Community Development Block Grant and HOME Investment Partnerships programs.

The City's funds can be used toward an eligible buyer's down payment and/or closing costs and can provide direct financing that reduces the size of a buyer's primary loan (i.e. first mortgage) to a level that is affordable. Further information can be found in the Homeownership Opportunity Program Policy on the City's website at: <https://www.cityofboise.org/departments/planning-and-development-services/housing-and-community-development/homeownership-opportunity-program/>.

REQUIREMENTS

General

- All individuals named on the title/deed must occupy the home as their primary residence. Non-occupying borrowers (co-borrowers) are not allowed.
- Assistance terms:
 - Land Trust (Leasehold Deed of Trust) and other Deed Restricted properties: \$65,000 maximum, subject to the City's Resale Policy.
 - Fee Simple Ownership properties: \$45,000 maximum, subject to the City's Recapture Policy.
- All homebuyers must sign a Homebuyer Written Agreement, in addition to a Promissory Note and Deed of Trust outlining the terms for the assistance provided.

Income Qualification

- Gross household income must be at least 50% and no more than 80% of the Area Median Income (AMI) for the City of Boise, as published annually by HUD.
- Household income must be calculated per the regulations at 24 CFR 5.609.

Primary Loan

- Competitive interest rate (no "higher priced" loans, as defined by CFPB)
- Fixed rate, fully amortized
- Minimum term of 30 years
- LTV: cannot exceed 100%, must generally allow at least 95%

City Underwriting

- Income Ratios: maximum front end (housing debt) ratio = 39%. Maximum back end (total debt) ratio = 45%.
- Homebuyers must contribute at least 0.5% of the purchase price towards the downpayment/closing costs.
- Homebuyers must have cash resources equivalent to at least two times their total monthly payment (including principal, interest, taxes, insurance, fees) after closing.
- Homebuyers that have income from current employment with liquid assets over \$35,000 must invest those assets toward the purchase price.

