

TERMS AND COSTS

Application for a mortgage loan is made with 1st Source Bank. The following are typical terms and costs.

General Loan Costs:

- Credit Report
- Appraisal Fee
- Homeowners Insurance
- Inspections ordered by Client

CHC Program Closing Costs:

- Program Administration Fee
- Underwriter fee
- CHC Inspection

General Closing Costs:

- Taxes & Insurance Escrow
- Interest
- Termite Inspection
- Flood Certification
- Title Insurance
- Recording Fees

Terms:

Interest Rate: 30 year fixed rate loan

Loan Term: 360 months

Taxes and Insurance: Must be escrowed for the life of the loan

Private Mortgage Insurance: Not Required

Down Payment: Not required.

Income Eligibility

Household income may not exceed 80% of median, as adjusted for household size.

FAMILY SIZE	20% GRANT (0 – 65.00%)	15% GRANT (65.01% – 70.00%)	10% GRANT (70.01% – 75.00%)	5% GRANT (75.01% – 80.00%)
1	0 to 26,585	26,586 – 28,630	28,631 – 30,675	30,676 – 32,700
2	0 to 30,420	30,421 – 32,760	32,761 – 35,100	35,101 – 37,400
3	0 to 34,190	34,191 – 36,820	36,821 – 39,450	39,451 – 42,050
4	0 to 37,960	37,961 – 40,880	40,881 – 43,800	43,801 – 46,700
5	0 to 41,015	41,016 – 44,170	44,171 – 47,325	47,326 – 50,450
6	0 to 44,070	44,071 – 47,460	47,461 – 50,850	50,851 – 54,200
7	0 to 47,125	47,126 – 52,750	50,751 – 54,375	54,376 – 57,950
8	0 to 50,115	50,116 – 53,970	53,971 – 57,825	57,826 – 61,650

The Community Homebuyers Corporation of St. Joseph County (CHC) is an Indiana non-profit IRC 501(c)(3) corporation.



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227 W. Jefferson Blvd., #1400S
South Bend, IN 46601

“Assisting individuals

To become

HOMEOWNERS”

(574) 235-5880

THE MISSION OF CHC IS TO PROVIDE AFFORDABLE MORTGAGE OPPORTUNITIES AND KNOWLEDGE ON HOW TO BE SUCCESSFUL HOMEOWNERS TO LOW AND MODERATE INCOME RESIDENTS OF ST. JOSEPH COUNTY WITH EMPHASIS UPON PROVIDING HOUSING OPPORTUNITIES WITHIN THE CITY LIMITS OF SOUTH BEND.

Program Guidelines

Eligible Borrowers

The CHC program offers homeowner assistance for applicants who meet the following requirements:

- Household income may not exceed 80% of median as adjusted for household size. Refer to chart.
- Must be a first-time homebuyer with the following exceptions: 1.) An applicant who owns a mobile home 2.) An applicant who has been displaced from their home because of a legal situation (e.g. divorce) 3.) An applicant who has relocated to this area and who has not previously owned a home in this area 4.) An applicant who has not previously owned a home within the last three years 5.) An applicant with a foreclosure history who had extenuating circumstances.
- Evidence that the applicant has attended and completed, prior to applying with CHC, a homeownership training course with credit counseling. The course must be deemed acceptable by CHC such as REWARD, CCCS, or a HUD accredited course, etc.
- Must purchase a home within the city limits of South Bend.

Second Mortgage Loan Subsidy and Post Purchase Requirements

Based on the household income, applicants may be eligible for a forgivable second mortgage loan from 5% to 20% of the purchase price through the CHC partner, 1st Source Bank. For the second mortgage to be forgivable, all applicants are required to:

1. Make twelve consecutive, on-time payments within the first five years
2. Attend six (6) post purchase training sessions within the first year

Both the on-time payment requirement and the post purchase training must be completed for forgiveness to start on the second mortgage loan. If the forgiveness is not earned, the borrower will be required to repay the second mortgage loan. Once the forgiveness has started, certain circumstances such as non-payment of the first mortgage loan, bankruptcy, foreclosure action, abandonment of property, etc. will stop the forgiveness. Once the forgiveness stops, borrowers will be required to repay the balance of the second mortgage loan.

Eligible Properties

All properties must be an owner-occupied, single-family unit. Condominiums are eligible for the CHC program.

The maximum improved property sale price may not exceed \$95,000. The property must appraise for at least the sale price.

Property Inspection

All properties being purchased through the CHC program must meet certain standards. CHC requires that homes be brought to a condition that shall insure minimal need of additional repairs or costly maintenance during the next five years. Therefore, based upon appraiser comments and/or reports submitted by CHC staff, CHC may require, as a condition of the second mortgage loan, that improvements be made in excess of those necessary to meet code standards. An inspection for wood infesting insects is also required by a certified pest control company.

All clients are urged to obtain property inspections which are independent of the CHC inspection.