



creating homeowners
building community

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NWHP First Generation- Down Payment Assistance Program Guidelines

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Program Overview: This program is designed to provide down payment assistance to first time and first generation homebuyers to help buy their first home in selected five-county metro: Hennepin, Ramsey, Washington, Dakota, Anoka.

Loan Amount: NWHP First Generation provides \$10,000 in Down Payment and Closing Cost Assistance. Borrowers may be eligible if they are a first-time home buyer and a first-generation homebuyer. This program must layer with one of NWHP's other down payment products.

Interest Rate & Deferred Loan Term: The loan has no monthly payments and does not accrue interest. Forgivable after 10 years of continuous ownership. \$1,000 forgivable per year.

Eligible Use of Funds: Funds will be used for down payment and closing costs (does not include points, MI fees or premium, or appraisal shortages). Funds are available on a first come/first serviced basis with a fully signed purchase agreement. Pre approvals are not available.

Loan Security: The loan will be secured by a mortgage in favor of NeighborWorks Home Partners.

Applicant Eligibility:

- Qualified buyer's income must match the layering NWHP DPA product
- Buyers must have a minimum cash investment of \$1,000 or 1% of the purchase price from their own verifiable funds. Gift funds, grants, or loans are not acceptable.
- Borrowers must review and sign an attestation document to affirm their eligibility as a first time and first generation borrower. Both borrowers must qualify as a first-time borrower and first-generation borrower.
- The NeighborWorks Home Partners First Generation loan is not eligible for the FHA 3.5% down payment.
- Homebuyer Education: Buyers are also required to take 8 hours of homebuyer education from an approved provider or Framework (on demand recording) + a 1 hour pre-purchase advising appointment from an approved provider. Homebuyer education must be completed prior to closing.
- If buying a duplex, triplex, or four-plex, buyers will also need to complete Landlord Education prior to closing.
- Buyers must homestead and occupy the property as their primary residence for the life of the loan.

- Review of a credit report and debt to income will be based on requirements of the layering program
- Liquid asset limit only applies if applicable in the layering program.

Property Eligibility: Home must be located in the selected five-county metro – Ramsey, Hennepin, Anoka, Washington, Dakota.

Application Process: You must have a fully executed purchase agreement for an eligible property before applying for funds. Your loan officer will submit your application for you. Please allow 30 days to close from the time the complete application is submitted. Lender Package/Timeline are available here: <https://nwhomepartners.org/get-ready-help-for-homebuyers/down-payment-help/lender-forms-and-information/>

Disbursement Process: If the application meets the program guidelines, the loan funds will be wired to the Title Company from NeighborWorks Home Partners. The buyer will sign the loan documents at the first mortgage loan closing.

We appreciate your cooperation and welcome your questions.

Thank you,

NeighborWorks Home Partners Lending Team

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