



Frequently Asked Questions for Cleveland Heights Down Payment Assistance (DPA)

How long will it take to process my application?

Home Repair Resource Center (HRRC), who facilitates the DPA program, cannot give you a time frame until we have a completed application with all the supporting documents. After you have submitted your completed application, we ask for 30 days to process, review and approve. However, this is not a guarantee. Please understand that due to the popularity of the program, we only process 1 DPA completed application at a time, and it is on a first come first serve basis. If there are other completed applications ahead of you, it might extend your processing time.

Please note that a completed application with supporting documentation and / or a completed questionnaire does not guarantee approval.

What happens after HRRC receives my completed application with the supporting documents?

After we receive and process your application, HRRC schedules a meeting with City employees. We will let you know when that meeting will be taking place. If your application is approved at this meeting, we will let you know and then we request a mortgage deed from the city. We ask you to understand that it might take up to 2 weeks to receive the mortgage deed. If you have questions or concerns about your timeline, we ask that you reach out to HRRC and not the city of Cleveland Heights.

What are the requirements for the Down Payment Assistance?

- Sales Price Limit – For a single family property is up to \$ \$313,500 and for a double family property is up to \$ 402,000
- Receive certification of completion of pre-purchase and home maintenance counseling from a H.U.D. approved agency.
 - o To find a H.U.D. approved agency, please check out [the list of pre-purchase and home maintenance counseling agencies.](#)
- Contribute a minimum of 3.50% of the sales price towards the home purchase (gift funds also eligible).
- Receive approval and first mortgage commitment for the purchase of the home from a mortgage lender.

- Have no more than \$5,000 or 6 months of PITI, whichever is greater, of liquid assets after buyer contribution.
 - o How to determine this –
 - Look at your Loan Estimate document.
 - Multiply your PITI (Principal, Interest, Taxes and Insurance) by 6 and add it to your Down Payment (not including the CH DPA) and your closing costs.
 - If the amount in your liquid assets (checking, savings, money market) is greater than 6 months of PITI, Down Payment and closing costs, you are not eligible to apply.
- Under 120% AMI for your household size.
- A completed application with all the supporting documents

How do I get an DPA application?

Please complete the online questionnaire - <https://forms.office.com/r/HzkWnQapU5>. Or call Carolyn Ostrom – 216-381-6100.

What do I need for the application?

You need to have all pages of the application complete with your lender's signature on the last page and all of the supporting documents listed on the [Buyer's checklist](#). There is additional information about the supporting documents listed on this document.

When should I turn my application in?

You should turn in your application when you have a mortgage commitment letter and a home under contract in Cleveland Heights. You should also turn in the Buyer's checklist with your team's contact information. Try to turn in as many supporting documents as possible. Once HRRC receives your application and your team's contact information, we will send you and your team a Welcome Letter explaining the program and a list of any supporting documents that are missing.

Application and Supporting Documents – A deep dive into what you need for a complete application and why we are asking for them.

- 1. Original Cleveland Heights / HPO application, completed and signed in ink by all borrowers** – To receive the application, please complete the [DPA questionnaire](#).
- 2. Typed first mortgage application (must be signed)** – This is also called a Uniform Residential Loan Application. If you do not have it, please ask your lender for it.

3. Income verifications for all household members, 18 years old and older, from all sources - Please make sure you add all household members to the first page of the application.

- a. Last 2 years completed federal tax returns
- b. Last 2 years of W-2's and 1099's
- c. Most recent 2 pay stubs
- d. Declaration of No/Zero Income for anyone 18 years old or older who is currently not earning income. Please contact the office for this form.

4. Proof of pre-purchase & home maintenance training by HUD / City approved provider – To register for our class, please go to

<https://clients.mindbodyonline.com/classic/home?studiod=278957>. CHN Housing Partners and Benjamin Rose also provide the class and you are welcome to take their class if the timing of HRRC's class does not work for you. The class needs to be a HUD-Certified Homebuyer Education. It needs to be taught by a human whether it is in person or over Zoom. Please note that the Framework online homebuyer education does not fulfill the requirements for CHDPA.

5. Two months of bank statements (all accounts). All the pages of each month's bank statements must be included. For example, if the statement contains four pages, please include all four pages. Even if one or two of the pages are the "reconciliation pages" that do not contain actual information about your account balance. – HRRC needs to see that you have no more than \$5,000 or 6 months of PITI, whichever is greater, of liquid assets after buyer contribution.

6. Inspection report with list of violations from Cleveland Heights Housing Inspections Department – This is the Point of Sale inspection.

According to www.clevelandheights.gov,

Owners of real estate in Cleveland Heights, including single-family and two-family dwellings, duplexes, apartments, condominiums and commercial properties, are required to obtain a Certificate of Inspection (Point-of-Sale) prior to entering into an agreement to sell a property. Sellers must provide the prospective purchaser with a copy of the original Certificate of Inspection (valid for one year from the date of issuance) and Certificate of Compliance (if available) prior to the execution of a contract of sale.

Please ask your agent to get the Point of Sale from the Seller's agent. If they do not provide it, you may go to the Housing Inspection office in City Hall to request a copy.

Picture of the Housing Inspection office entrance –



7. Visual paint inspection (City staff will inspect after application is received) – In the welcome email, you will receive instructions on how to schedule your Visual Paint Inspection.

What is the Visual Paint Inspection? This inspection is in addition to the Point of Sale Inspection. The city performs a general walkthrough of the interior and exterior of the home specifically looking for any chipped or peeling paint. You as the buyer do not attend. Either the seller or the seller's agent will be there or they can provide the city employee with written permission and instructions on how to enter the home. The city will inform you if the home passes and will send the completed report directly to HRRC. Please do not delay scheduling the VPI. As soon as you receive the Welcome Email, please schedule this inspection with the city.

8. Re-inspection report showing violations have been corrected including paint repairs – This is the Certificate of Compliance that states all the violations from the Point of Sale have been corrected. This should come from the seller's agent. If you do not have it, you can ask for a copy at the Housing Inspections office.

9. Appraisal - An appraisal is not a home inspection; it determines value, not physical condition. Please work with your agent to schedule the appraisal.

10. First mortgage commitment letter, if available, or pre-approval letter - A mortgage commitment letter is a formal document from a lender stating they've approved a loan for a specific amount under specific terms, demonstrating your financial capability to purchase a property.

11. Loan Estimate document showing down payment loan amount- This will show us that you are meeting the 3.5% down payment requirement.

12. Escrow agent's signed W-9 form – Since the Down Payment Assistance will be transferred to the Title Company, we need their current W9. The W9 will have to be signed for the current year. A blank W9 can be downloaded here - <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

13. Copy of state ID, birth certificate, etc.

Is this a loan or a grant?

It is a deferred payment, zero-interest (0%) second mortgage. It is a loan and not a grant.

Do I need to pay it back?

Yes, you will need to pay a portion of it or the entire amount back at the time of resale, transfer, or if the property is no longer owner occupied.

Here are the terms for repayment –

50% forgivable over 5 years for households under 80% Area Median Income (AMI)

50% forgivable over 5 years for households under 120% AMI in qualified census tracts

For households under 120% AMI outside a qualified census tract, the loan is to be repaid immediately at the time of resale, transfer, or if the property is no longer owner-occupied..

How does HRRC determine whether I am 80% or 120% AMI?

HRRC reviews all income documentation to determine Household Income.

<u>Household Size*</u>	<u>2025 Gross Income Limit</u>	
	<u>80% AMI</u>	<u>120% AMI</u>
1	\$55,650	\$83,500
2	\$63,600	\$95,400
3	\$71,550	\$107,350
4	\$79,500	\$119,300
5	\$85,900	\$128,800
6	\$92,250	\$138,350

How does HRRC determine how much I can receive in DPA?

The maximum amount of down payment assistance available varies, based on the income of the qualified applicant, specifically as follows:

- 17% of sales price or \$30,000 (whichever is less) for borrowers at or below 80% AMI,
- 17% of sales price or \$30,000 (whichever is less) for borrowers at or below 120% AMI located inside of a qualified census tract
- 13% of sales price or \$30,000 (whichever is less) for borrowers at or below 120% AMI located outside of a qualified census tract

For example, if someone is looking to buy a house valued at \$150,000 and they are at 80% AMI –

$$\$150,000 \quad \times \quad 17\% \quad = \quad \$25,500$$

They would receive \$25,500 since it is less than the \$30,000.

How do I know if my home is in the qualifying census tract?

The Qualified Census Track for this program are

1403.01

1407.01

1411.00

You can search the home's address on <https://geomap.ffiec.gov/ffiecgeomap/> or the Census Tract will be listed on your appraisal.

Can I still be approved if the house has POS violations?

Health and safety code violations must be satisfied before the owner can receive approval to occupy the home.

Can I be approved for the Cleveland Heights Down Payment Assistance after the closing?

No

I have additional questions, who can I contact?

Carolyn Ostrom – 216-381-6100 x 10 or costrom@hrrc-ch.org.