



### *Home in Five Advantage*

The Home in Five Advantage Program helps low- and moderate-income individuals and families buy a home in Maricopa county. The program is designed to support sustainable, long-term homeownership for qualified buyers by providing choices for various levels of down payment assistance (DPA) needed to achieve their dream. Home in Five is a partnership between the Phoenix and Maricopa County IDAs.

Through the program, homebuyers obtain 30-year, fixed rate FHA, VA and either Fannie Mae HFA Preferred or Freddie Mac HFA Advantage conventional loan financing. A 1% origination fee plus customary closing costs are due at closing.

#### **Homebuyer Requirements**

- Maximum credit qualifying income cannot exceed \$141,820 for all borrowers.
- Buyers must have a minimum FICO credit score of 640.
- Maximum debt-to-income ratio (DTI) of 45.
- Standard loan guidelines for qualification must be met (i.e., adequate income, acceptable credit and down payment requirement).
- Buyers must occupy the home as their principal residence within 60 days of closing.
- No first-time homebuyer requirement.
- All homebuyers must attend an 8-hour homebuyer education course through an [approved housing counseling agency located within Arizona](#) and obtain a certificate of completion. The homebuyer education course may be in-person or on-line. Upon completion of an online class, homebuyers must provide their lender with a co-branded certificate with the local agency's name and/or logo. The following agencies have provided us with links to their approved online course offerings:
  - [Administration of Resources and Choices \(ARC\)](#)
  - [Money Management International](#)
  - [Newtown CDC](#)
  - [ACCE's Make Your Move with Take Charge America](#)
  - [Trellis](#)

#### **Program Requirements**

- Home must be anywhere in Maricopa county.
- New purchases only (no refinancing).
- New or existing houses, condominiums, PUDs or townhouses.
- No purchase price limit.

## Down Payment Assistance (DPA)

Qualified individuals or families should work with their lender to determine the appropriate financing option. Homebuyers may obtain either a 3-year, 10-year, or 30-year forgivable loan for down payment/closing cost assistance. Program products available through your lender include:

### Home in Five Advantage loans

- FHA & VA Loans
  - 3%, 4%, 5% or 6% DPA with a 3-year forgivable second.
  - 3%, 4%, 5% or 6% DPA with a 10-year amortizing second with monthly payments due and a 6% interest rate.
- Conventional Loans in connection with Fannie Mae or Freddie Mac loans.
  - 0%, 3%, 4% or 5% DPA with a 30-year forgivable second.
  - 3%, 4%, 5% or 6% DPA with a 10-year amortizing second with monthly payments due and a 6% interest rate.

## Forgivable Second Mortgage Details and Examples

**Home in Five Advantage** Down payment assistance is provided as an interest-free, 3-year, 30-year forgivable second mortgage. For a 3-year second mortgage, no payments are required unless the home is sold, transferred, or refinanced before the 36<sup>th</sup> month. For a 30-year second mortgage, no payments are required unless the home is sold, transferred, or refinanced before the 360<sup>th</sup> month.

The 10-year second mortgage has a portion of the principal repaid each month and the balance of that principal must be repaid if the home is sold, transferred, or refinanced before the 120<sup>th</sup> month.

The second loan cannot be subordinated or assumed.

### **3-Year Forgivable second example**

Example of how the 3-year forgivable second mortgage will be forgiven: A home is purchased in September 2024 with a loan for \$280,000 and down payment assistance of \$8,400 (3%). In October 2027, the \$8,400 second mortgage is forgiven in full.

Example of a when a homeowner must repay a portion of the assistance: A home purchased in September 2024 is sold, transferred, or refinanced in October 2026, the 25<sup>th</sup> month. The mortgage is a 36 month note and is forgiven at a rate of 1/36<sup>th</sup> each month. In this example, the first 24 months of the note was forgiven (\$5,600). The borrower is responsible for re-paying \$2,800 of the original \$8,400 assistance. The amount due from the borrower will be part of the closing process on the sale, transfer or refinancing to clear the second lien.

### **30-Year Forgivable second example**

Example of how the 30-year forgivable second mortgage will be forgiven: A home is purchased in September 2024 with a loan for \$280,000 and down payment assistance of \$8,400 (3%). In October 2054, the \$8,400 second mortgage is forgiven in full.

Example of a when a homeowner must repay the assistance: A home purchased in September 2024 is sold, transferred, or refinanced in October 2028, the 48<sup>th</sup> month. The mortgage is a 360 month note with no forgiveness until final maturity. In this example, the borrower is responsible for re-paying the full amount of the \$8,400 assistance. The amount due from the borrower will be part of the closing process on the sale, transfer or refinancing to clear the second lien.

### **How to Get Started**

- Contact a realtor and find a home that meets the program requirements.
  - Contact a participating lender for details on applying for a Home in Five Advantage mortgage loan and securing down payment assistance.
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### **More Information**

For more information, please contact one of the program lenders or call the Phoenix IDA at **(480) 482-1083** or the Maricopa County IDA at **(602) 834-5226, ext. 102**.