

**Board of County Commissioners
Leon County, Florida**

Policy No. 02-4

Title: Down Payment Assistance Program

Date Adopted: March 12, 2002

Effective Date: March 13, 2002

Reference: Housing Element, Leon County Comprehensive Plan

Policy Superseded: 93-43, "Down Payment Assistance Program," adopted April 27, 1993;
Policy No. 96-11, "Down Payment Assistance Program," adopted June 25, 1996

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that in order to implement the Housing Element of the Comprehensive Plan of Leon County and to further the programs of the Housing Finance Authority of Leon County, a Down Payment Assistance Program (DAP) is hereby created which shall be governed by the policies and procedures set forth below.

1. **OBJECTIVE**: To assist first-time home buyers, who are either very-low or low-income families, in meeting down payment, prepaid, and closing costs. If a waiting list exists for DAP monies, program administrators shall first endeavor to assist very low, and then low-income families, with down payment assistance. If no waiting list exists, funds shall be disbursed on a first-come, first-served basis.
2. **ELIGIBILITY**: Very-low and low-income first-time buyers, as defined by the Department of Housing and Urban Development (HUD). This definition includes: "any very low- or low-income family that has not owned a house within the last three years; or a family that includes a displaced homemaker or single parent (as defined by HUD); or any family that resides in manufactured housing not permanently affixed to the ground; or any homeowner who dwells in a substandard home not suitable for rehabilitation." Such families who are purchasing a home in the unincorporated areas of the County shall be eligible for services. Homes located inside the limits of the City of Tallahassee shall not be purchased with funds from the Down Payment Assistance Program.
3. **DEFINITIONS**: Very low-income families are those whose incomes are less than 50% of the median income of families residing in Leon County. Low income families are those between 50% and 80% of the median income of families residing in Leon County. In determining income eligibility, all assets excluding personal property shall be included according to the guidelines established by the U.S. HUD.

4. PURCHASE PRICE MAXIMUM: The purchase price of the home may not exceed the amount of funds for which very low- and low-income families can qualify for a first mortgage.
5. DAP LOANS: The DAP or SHIP Rehabilitation loan shall be a zero interest or non-amortizing second or third mortgage. The repayment of the second or third mortgage shall be deferred for the term of the first mortgage, unless the property ceases to be the primary residence of the property owner, or the “ transfer, or rental of the home or refinancing, or satisfaction of the first mortgage occurs. DAP loans are not assumable, except that heirs will not be required to pay off the second or third if they are also eligible for DAP assistance. Heirs who assume DAP loans shall be governed by all policies set forth herein. Under specific circumstances, such as, to lower a mortgage interest rate or prevention of foreclosure, the County will allow the second or third mortgage, to be subordinated, providing the County position will subordinate to its original position of second or third.
6. ADMINISTRATION: Applications to the County for DAP funds may be submitted to the Tallahassee Lenders’ Consortium, or the approved entity in partnership with Leon County to distribute the County’s Down Payment Assistance funds, by not-for-profit, or for-profit corporations on forms and according to procedures approved by the County.
7. DAP FUND USES: DAP funds can be used to defray down payment, prepaid, and closing costs. DAP funds may not be utilized for the purchase of a mobile/manufactured home, but may be used to assist persons purchasing modular/manufactured homes which comply with building standards and display the Department of Community Affairs insignia.
8. MAXIMUM AMOUNT OF ASSISTANCE: A DAP Loan may not exceed \$5,000 for low income qualified buyers and not exceed \$10,000 for very-low income qualified buyers.
9. BUYER’S FUNDS REQUIRED: At least 1.5% of the purchase price must be paid toward the down payment with buyer’s funds.
10. HOME BUYER AND HOME MAINTENANCE EDUCATION : All persons receiving down payment assistance shall be required to attend home buyer and home maintenance education classes and evidence this by the presentation of a certificate of graduation/completion. This home buyer certification must be received before the client will be considered eligible for funding. The home maintenance certification must be completed within twelve months after purchasing a home.