

LEGISLATIVE

120315



HOMEBUYER LEASE/PURCHASE PROGRAM (HLPP)

Program Guideline

Summary - The Homebuyer Lease Purchase Program (HLPP) is designed to aid first-time homebuyers who are unable to obtain a mortgage loan at this time to fulfill their dream of homeownership. The goal of the HLPP is to provide a sufficient time for the first-time homebuyer the opportunity to work at correcting derogatory credit issues that's preventing their purchase.

Applications for considered for this program will be reviewed and approved based on a competitive process.

- a) **Recipients:** Must be a first-time homebuyer as defined by U. S. Department of Housing & Urban Development (HUD).
- b) **Income Categories to be served:** Very Low and Low-Income whose total household income does not exceed 80% AMI as defined by HUD.
- c) **Recipients Eligibility Criteria:**
 - Applications for the HLLP will be reviewed and approved on a first-come, first-ready, first-served basis,
 - must be income eligible,
 - must be pre-qualified from a City of Gainesville Certified Lender for the HLPP
 - applicant must purchase renter's insurance for the duration of the lease-purchase contract;
 - first mortgage pre-qualification letter,
 - Property Taxes & Hazard Insurance Must Be Escrowed
 - must attend the City of Gainesville homebuyer education & training workshop

Other criteria

- the lease/purchase project may continue up to 36 months at the discretion of the City; however, the City's goal is to select qualified applicants that are most likely to close on the home within 12-months of signing the lease-purchase contract agreement.
- must meet with the City's Housing Counselor monthly to demonstrate continued progress
- No Seller Financing is allowed
- must obtain a fixed interest rate loan – No ARM and No Balloon products
- must contribute 2% of sales price at time of purchase including POC's
- other additional program criteria may apply.