

City of Greenville
Downpayment Assistance and Secondary Mortgage Criteria

- Debt to Income Ratio's (20-33/45) ¹
 - Front end debt ratio (20%-33%) – consist of the mortgage payment as a percentage of monthly gross income. $PITI / \text{Gross Monthly Income}$.
 - Back end debt ratio (45%) – consist of the mortgage payment and existing debt as a percentage of monthly gross income. $(PITI^4 + \text{Current Debt}^2 + \text{Other}^3) / \text{Gross Monthly Income}$.

NOTE:

1. Ratios are calculated in the same manner of the typical mortgage lender.
2. Current debt includes credit cards, car loans, personal loans, child support, payment plans, etc.
3. Other includes homeowner's association dues and mandatory assessments.
4. Mortgage Payment (PITI) is principle, interest, tax and insurance.

- Gross Monthly Income – consist of pre-tax income (see list below) for all members of the household. Independent support must be provided for all sources. Note: financial aid or foster care payments do not counted as income.
 - Gross Monthly Wages, Commission and Bonuses
 - Gross Monthly Social Security or Disability Payments
 - Temporary Assistance for Needy Families (TANF)
 - Food Stamps (for budget use only)
 - Child Support (past 12-month proof of receipt of funds)
 - Non-Social Security Retirement
 - Reported Self-Employment Income (2 years of taxes returns)

Note: The City does not allow grossing up of non-taxable qualifying or compliance income to meet program ratios.

- Income Limits – as defined by the US Department of Housing and Urban Development for the Greenville Metropolitan Area.
 - For Downpayment Assistance Program (10% No Interest Loan) (maximum income is 120% of median adjusted for household size)
 - For Secondary (20% HOME Grant) Mortgage Programs (maximum income is 80% of median adjusted for household size)
 - For West Greenville / Univ Area Program (no maximum income)

Downpayment Assistance and Secondary Mortgage Criteria Page 2

- Credit

Reportable Credit References:

- Active accounts current
- No outstanding non-medical liens, judgments or collections
- No outstanding balance due on charge-off accounts unless on approved payment plan (6-month positive payment history)
- Chapter 7 Bankruptcy must be discharged for 24 months
- Chapter 13 Bankruptcy must have written permission of Trustee to acquire new debt

- Student Loans

If the applicant has student loan debt, the total monthly debt must include one of the following:

- The Monthly Payment Amount if the interest rate is fixed and the loan will fully amortize within the term of the loan;
- For outstanding student loans, regardless of payment status, the payment amount reported on the credit report or the actual documented payment, when the payment amount is above zero; or
- 0.50 percent of the loan balance, when the monthly payment reported on the credit report is zero.

- Other Information

- Must provide 1003 Mortgage Application, HUD Closing Disclosure and Pre-qualification letter from the mortgage lender.
- Signed Offer to Purchase or Contract with Builder
- Must use at minimum 20% of gross monthly income toward the PITI payment.
- In no case can an applicant receive more than 20% of the sales price of the home from City of Greenville subsidies.