

City of Greenville

Down Payment Assistance 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. $(PITI^4 + \text{Current Debt}^2 + \text{Other}^3) / \text{Gross Monthly Income}$.

NOTES:

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

- **Gross Monthly Income** – consists 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 count 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)

- **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.
 - One percent (1%) of the remaining loan balance reflected in the credit report for the Applicant, if the Applicant cannot provide a fixed monthly payment amount.
 - If the Applicant has been accepted and is actively enrolled in a Federal Income Driven Repayment Plan, then either a half percent (0.5%) of the remaining loan balance OR the income driven payment may be used but the payment may be used ONLY if it is greater than a half percent (0.5%) of the remaining loan balance. Proof that the applicant is on a Federal Income Driven Repayment Plan must be provided.

- **Non-traditional Credit Reference:**

- Credit Reference Letters from Utility Company, Telephone Company, Cable Company and Insurance Agent

- **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.