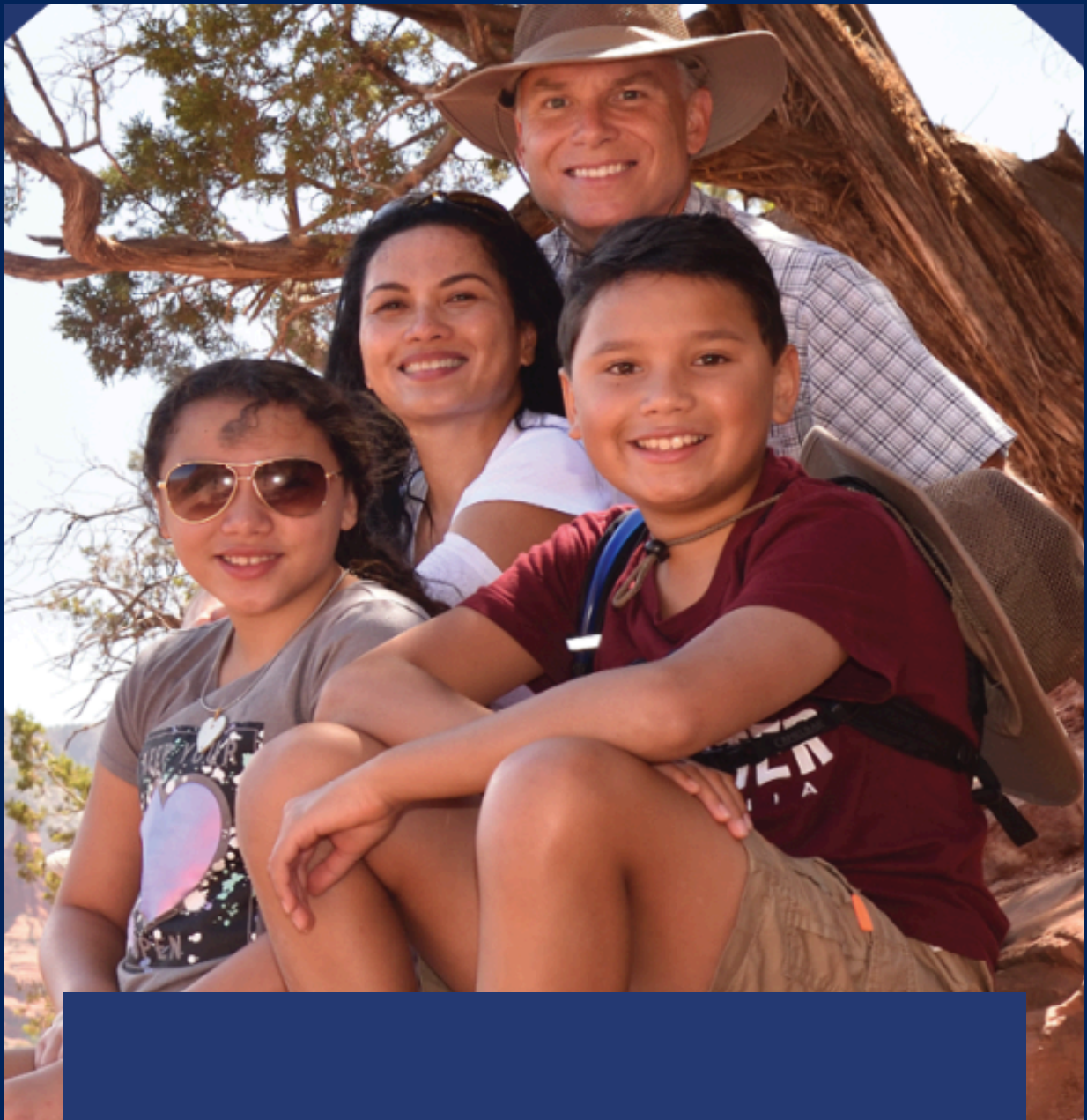




# ARIZONA IS HOME

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Down Payment Assistance  
Program



## DANIEL JACKSON, LOAN OFFICER

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Empowering homeowners to pay as little as possible on their mortgage is Daniel Jackson's mission.

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# LET'S START HERE!

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IN THIS EBOOK YOU WILL FIND MORE INFORMATION ABOUT THE POWERFUL "AZ IS HOME" DOWN PAYMENT ASSISTANCE PROGRAM.



## THE BASICS

- **4% Down Payment Assistance (DPA)**
- **Lower Than Market Interest Rate**
- **DPA is forgiven after 5 years**
- **Available to First-Time Buyers and Eligible Veterans**
- **Available in eligible Arizona counties**

# PROGRAM DETAILS

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The Arizona Is Home Mortgage Assistance Program (the “Program”) is a first-time homebuyer program that provides down payment assistance (“DPA”) using FHA and conventional financing.

## **WHY IS THE RATE LOWER?**

Borrowers receiving assistance through the Program are receiving the benefit of a lower mortgage interest rate than is customarily available on other mortgage loans. The Arizona Industrial Development Authority (“AZIDA”) has sold tax-exempt mortgage revenue bonds to a private investor who receives a lower interest rate on their investment than is customarily available on other investments. The investor buys the bonds because the interest earned is tax-exempt. Because the investor does not pay tax on the interest earned on the bonds, the federal government considers this lost tax revenue. Tax-exempt means that the IRS (Internal Revenue Service) Code governs the program. Those additional program requirements are detailed throughout this document.



# PROGRAM REQUIREMENTS

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## **Do I have to pay it back?**

The Program allows for DPA in an amount not to exceed four percent (4%) of the total first mortgage balance. The DPA being offered by Arizona IDA is evidenced by a sixty month (60) forgivable Second Mortgage. There are no monthly principal or interest payments associated with the Second Mortgage evidencing the DPA loan. At the conclusion of the 60th month, the assistance is fully forgivable and the DPA lien will be released. In the event the homebuyer either sells the subject property or refinances the first mortgage before the forgiveness period, the full amount of DPA must be repaid. There will be no partial forgiveness during the term of the Second Mortgage.

## INCOME LIMITS

Borrower income must be 80% or less than the Area Median Income (AMI) for the county that the subject property is located in. Additional information about the Program, including the eligibility requirements and application requirements, are contained in this Program Guide.

## AVAILABLE AREAS

The Program is available in the following Arizona Counties: Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai, and Yuma.

The Program is NOT available in Maricopa or Pima Counties.



# MAXIMUM ANNUAL INCOME LIMITS

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| County Name       | FHA                  | Fannie Mae<br>HFA Preferred | Freddie Mac<br>HFA Advantage | VA                   | USDA                 |
|-------------------|----------------------|-----------------------------|------------------------------|----------------------|----------------------|
| Apache County     | \$50,480             | \$50,480                    | \$50,480                     | \$50,480             | \$50,480             |
| Cochise County    | \$62,400             | \$62,400                    | \$62,400                     | \$62,400             | \$62,400             |
| Coconino County   | \$84,080             | \$84,080                    | \$84,080                     | \$84,080             | \$84,080             |
| Gila County       | \$53,040             | \$53,040                    | \$53,040                     | \$53,040             | \$53,040             |
| Graham County     | \$56,160             | \$56,160                    | \$56,160                     | \$56,160             | \$56,160             |
| Greenlee County   | \$62,320             | \$62,320                    | \$62,320                     | \$62,320             | \$62,320             |
| La Paz County     | \$50,480             | \$50,480                    | \$50,480                     | \$50,480             | \$50,480             |
| Maricopa County   | <i>Not Available</i> | <i>Not Available</i>        | <i>Not Available</i>         | <i>Not Available</i> | <i>Not Available</i> |
| Mohave County     | \$52,560             | \$52,560                    | \$52,560                     | \$52,560             | \$52,560             |
| Navajo County     | \$51,280             | \$51,280                    | \$51,280                     | \$51,280             | \$51,280             |
| Pima County       | <i>Not Available</i> | <i>Not Available</i>        | <i>Not Available</i>         | <i>Not Available</i> | <i>Not Available</i> |
| Pinal County      | \$79,200             | \$79,200                    | \$79,200                     | \$79,200             | \$79,200             |
| Santa Cruz County | \$50,480             | \$50,480                    | \$50,480                     | \$50,480             | \$50,480             |
| Yavapai County    | \$61,360             | \$61,360                    | \$61,360                     | \$61,360             | \$61,360             |
| Yuma County       | \$56,000             | \$56,000                    | \$56,000                     | \$56,000             | \$56,000             |

# MAXIMUM ANNUAL INCOME LIMITS

## JUNE 1, 2024 UPDATE

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Effective June 1, 2024, the Arizona is Home county income limits will change (see table below). These figures comply with the 80% AMI figures used by Fannie Mae and Freddie Mac for their applicable HFA Preferred and HFA Advantage products.

Please follow Fannie and Freddie guidance as to when these are incorporated and embedded within DU and LPA. For the Arizona IDA's Arizona is Home DPA offerings, these changes go into effect June 1, 2024.

| COUNTY     | 2023        | 2024        | DIFFERENCE   |
|------------|-------------|-------------|--------------|
| Apache     | \$50,480.00 | \$52,880.00 | \$2,400.00   |
| Cochise    | \$62,400.00 | \$56,560.00 | -\$5,840.00  |
| Coconino   | \$84,080.00 | \$68,720.00 | -\$15,360.00 |
| Gila       | \$53,040.00 | \$55,040.00 | \$2,000.00   |
| Graham     | \$56,160.00 | \$60,320.00 | \$4,160.00   |
| Greenlee   | \$62,320.00 | \$66,400.00 | \$4,080.00   |
| La Paz     | \$50,480.00 | \$52,880.00 | \$2,400.00   |
| Mohave     | \$52,560.00 | \$54,560.00 | \$2,000.00   |
| Navajo     | \$51,280.00 | \$52,880.00 | \$1,600.00   |
| Pinal      | \$79,200.00 | \$81,040.00 | \$1,840.00   |
| Santa Cruz | \$50,480.00 | \$52,880.00 | \$2,400.00   |
| Yavapai    | \$61,360.00 | \$68,240.00 | \$6,880.00   |
| Yuma       | \$56,000.00 | \$51,120.00 | -\$4,880.00  |

# DEBT RATIO AND LTV LIMITS

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| First Mortgage Type                             | Down Payment /<br>Closing Cost<br>Assistance | Minimum<br>Credit<br>Score | Maximum<br>Borrower(s) Income   | Maximum<br>DTI |
|-------------------------------------------------|----------------------------------------------|----------------------------|---------------------------------|----------------|
| FHA, VA & USDA                                  | 4%                                           | 640                        | See income matrix for<br>limits | 45%            |
| FHA, VA & USDA                                  | 4%                                           | 680                        | See income matrix for<br>limits | 50%            |
| FHA, VA & USDA<br>– Manufactured Home           | 4%                                           | 660                        | See income matrix for<br>limits | 45%            |
| Freddie Mac HFA Advantage                       | 4%                                           | 640                        | See income matrix for<br>limits | 45%            |
| Freddie Mac HFA Advantage                       | 4%                                           | 680                        | See income matrix for<br>limits | 50%            |
| Fannie Mae HFA Preferred                        | 4%                                           | 640                        | See income matrix for<br>limits | 45%            |
| Fannie Mae HFA Preferred                        | 4%                                           | 680                        | See income matrix for<br>limits | 50%            |
| Fannie Mae HFA Preferred<br>– Manufactured Home | 4%                                           | 660                        | See income matrix for<br>limits | 45%            |



# DOWN PAYMENT ASSISTANCE

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The Program will provide down payment assistance (DPA) in the form of a second mortgage loan (not a grant or gift) (the "DPA Second Loan"). The DPA Second Loan will have a five-year term, a 0% interest rate, no monthly payment and be subject to a second mortgage lien; the principal of the DPA Second Loan will be forgiven after the 60-month anniversary of the original date of the loan. There will be no partial forgiveness during the term of the DPA Second Loan. The Arizona IDA lien MUST be in a second lien position (i.e., it cannot be in a third lien position).

The DPA is equal to 4% of the TOTAL First Mortgage Loan principal amount, rounded to the nearest dollar, and will be funded by the Lender on behalf of Arizona IDA at closing. U.S. Bank will reimburse the Lender at loan purchase. The DPA Assistance funding mechanism will comply be a "legally enforceable obligation" of AzIDA per HUD Mortgagee Letter 2013-14.

Except as provided in the next sentence, DPA Assistance can be applied only for the following purposes: (i) to pay for any portion of the Purchase Price of the Residence due and payable at Closing which is not funded by the First Mortgage Loan (i.e., any portion of the "down payment" for the Residence) and (ii) to pay for any closing costs (see definition in next paragraph) collected by the Lender. Any remaining DPA Assistance must be applied as a principal reduction of the first mortgage (no cash can be paid to the mortgagor). The DPA Assistance will not be applied by the Mortgagor for any other purpose without the consent of AzIDA or the Servicer.

Closing costs mean prepaid taxes, hazard, and mortgage insurance premiums (including single premium borrower paid), origination points, guaranty fees, credit report fees, survey fees, appraisal fees, inspection fees, title insurance premium, abstract and attorney's fees, escrow, and courier fees, recording fees, and similar fees.

# WHO IS ELIGIBLE?

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Except as set forth herein, eligible borrowers must be a First-Time Homebuyer.

## FIRST TIME BUYERS

A “First-Time Homebuyer” (FTHB) means the borrower must have had no ownership interest in a principal residence at any time during the three (3) year period prior to the date on which the Mortgage Loan is executed.

## ELIGIBLE VETERANS

Veteran is a person as defined in 38 USC § 101 who served in the active military, naval, or air service, and was discharged or released therefrom under conditions other than dishonorable. Veterans (and their spouses, whether Veterans or no) do not need to be FTHBs

## TARGETED LOW-INCOME AREAS

A borrower purchasing a home in a Targeted Area census tract is not required to be a First-Time Homebuyer. Check with lender for specific allowable Targeted Areas.



# ELIGIBLE PROPERTIES

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New or Existing - single family properties, two-unit dwellings, detached or attached PUD's, condos, town homes are allowed. Manufactured homes are allowed for FHA or VA loans.

## CONDOMINIUMS

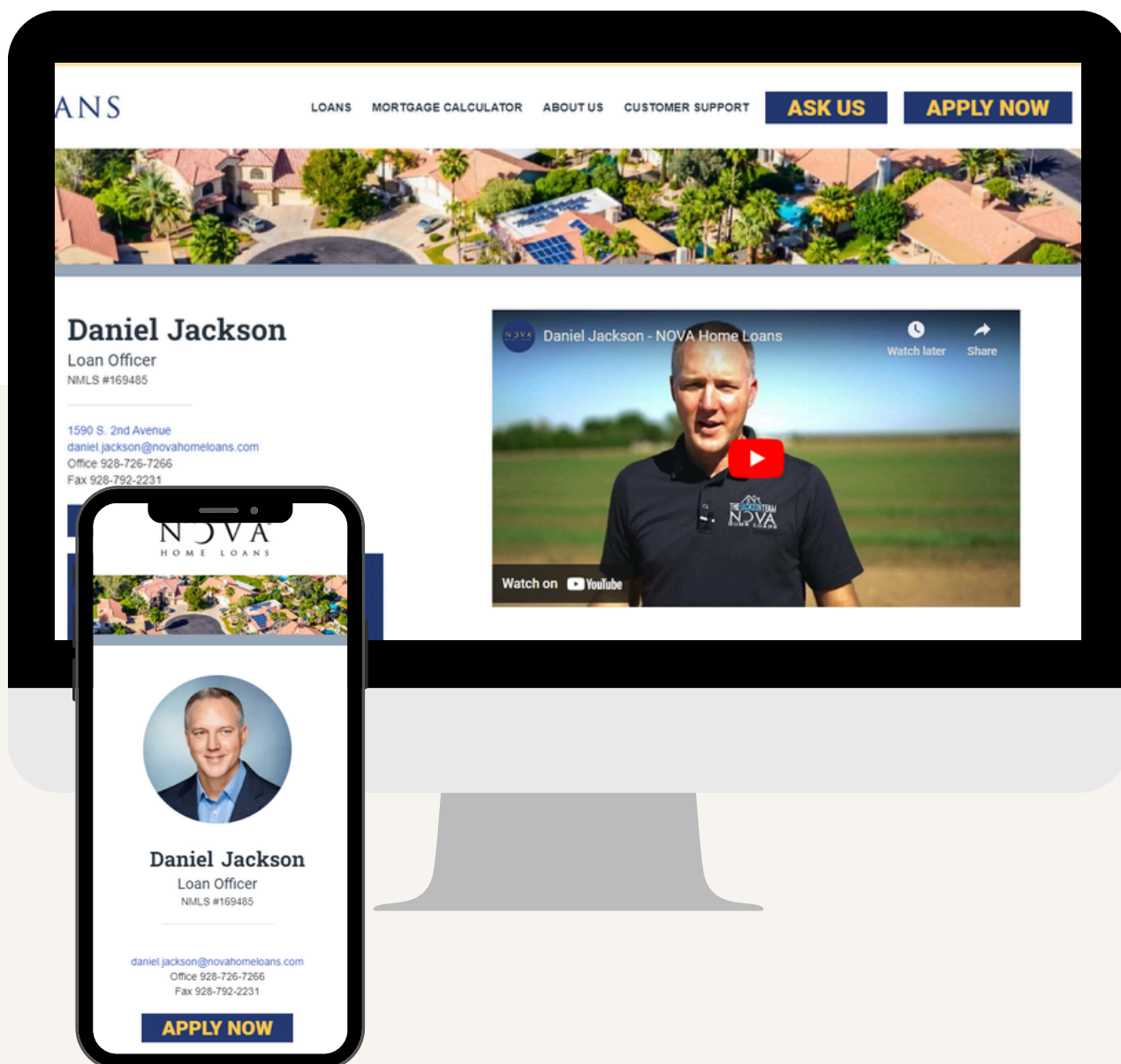
We follow our master servicer, US Bank's approved condo project list. Reach out to your lender for details. If subject property is approved at the time of closing, nothing further is required.

FHA Single Unit Approval is allowed with a maximum LTV of 90%

## MANUFACTURED HOMES

- FHA, VA, USDA – Min. credit score 660, max DTI 45.0%
- Conventional - Min. credit score 660, max DTI 45.0%, 95% LTV
- No Singlewide Manufactured Homes allowed.





## THE NEXT STEP IS...

Reach out today to see if you qualify for this excellent program. Even if it doesn't work for you, there are plenty of other options out there, and The Jackson Team can help match you with the best financing program for your needs.

**[CLICK HERE TO START RIGHT AWAY](#)**

Other conditions and restrictions may apply. Rates and available loan programs are subject to change without notice. Contact your loan officer for more information.