



## DPA Requirements

The 1<sup>st</sup> HOME Down Payment Assistance (DPA) Program provides down payment and closing cost assistance to eligible homebuyers purchasing their home in one of the member jurisdictions of the St. Louis County HOME Consortium. Current members participating in this program are St. Louis County, City of Florissant, Jefferson County, St. Charles County, and City of O’Fallon.

The Housing Partnership, Inc. is one of the agencies that facilitates this program. Funds are provided as a 0% interest, \$0 payment loan that is forgiven after homebuyers reside in the property for 5 consecutive years as their primary residence. A prorated amount of 20% will be forgiven each year. Funds can be used for down payment and/or closing costs.

This program has many components and requires cooperation from multiple parties. As such, **we require the closing date to be scheduled at least 45 days after we are first notified of the active contract.**

We will send **one** update email per week to all parties (client, lender, real estate agent, and title company). We will communicate more frequently when the closing is less than a week away.

Some items are required to issue a pre-approval. Other items are required to issue a final approval. **All items are requested at least 2 business days before closing** so we have time to get our cashier’s check and documents prepared for the closing.

If you have **any** questions about the requirements or your responsibilities, please ask!

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## Overview of DPA Program

The St. Louis County DPA program offers **up to \$7,000** of assistance. Funds use a **sliding scale system** based on total household income. All households must be under the 80% AMI limit. However, the lower the income, the higher the DPA loan amount.

DPA % Awarded	DPA Loan Amount	Income Limit	Household Size							
			1	2	3	4	5	6	7	8
100%	\$7,000	50% AMI	\$36,150	\$41,300	\$46,540	\$51,600	\$55,750	\$59,900	\$64,000	\$68,150
95%	\$6,650	60% AMI	\$43,380	\$49,560	\$55,740	\$61,920	\$66,900	\$71,880	\$76,800	\$81,780
90%	\$6,300	80% AMI	\$57,800	\$66,050	\$74,300	\$82,550	\$89,200	\$95,800	\$102,400	\$109,000

This funding is treated as a second mortgage from St. Louis County, MO, including the signing of a Promissory Note, Deed of Trust, and a Notice of Sale. The loan can drop to third position if the lender is also facilitating MHDC or another program that is required to be in second position.

### Main Requirements

*The details below reflect only the main requirements and do not represent all guidelines.*

#### **Homebuyer Requirements:**

<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>- Buyer must be a “first-time homebuyer” according to HUD guidelines</li> <li>- Non-occupant co-signers are allowed, but they cannot be on title or have ownership in the home. Household must show ability to maintain the mortgage payments without co-signers.</li> <li>- Non-occupant co-borrowers are not allowed</li> <li>- Buyer must have at least \$1,000 vested into the transaction from their own funds. More details are noted under Lender Requirements in the Closing Disclosure section.</li> </ul>
<b>Income Limits</b>	<ul style="list-style-type: none"> <li>- Household must be under St. Louis, MO-IL 80% Area Median Income as determined by HUD</li> <li>- <b>Using total household income of everyone age 18+ who will live in the future home</b></li> <li>- Our calculations are different from how the lender calculates income, so we may get different results</li> </ul>
<b>Ratio Limits</b>	<ul style="list-style-type: none"> <li>- Front-end (housing) ratio is 36%</li> <li>- Back-end (debt-to-income) ratio is 42%</li> <li>- Our agency must follow this rule; the lender does not</li> </ul>
<b>Homebuyer Education Course</b>	<ul style="list-style-type: none"> <li>- Buyer must complete a HUD-approved course. The one we offer through eHome America meets this requirement.</li> </ul>
<b>One-on-One Counseling Session</b>	<ul style="list-style-type: none"> <li>- To be completed with our agency</li> <li>- Client must pay the fee before we can schedule it</li> </ul>

**Property Requirements:**

<b>Contract</b>	<ul style="list-style-type: none"><li>- Property <b>cannot</b> be sold as-is</li><li>- Buyer <b>must</b> have a real estate agent</li></ul>
<b>Property Type</b>	<ul style="list-style-type: none"><li>- Single family home, condo, 1-4 unit, etc</li><li>- URA Property Owner Statement reflects eligible status</li></ul>
<b>Inspections</b>	<ul style="list-style-type: none"><li>- Building inspection by ASHI certified or InterNACHI certified inspector</li><li>- 1<sup>st</sup> Time Homebuyer Inspection by St. Louis County (passed Visual Lead and Occupancy)</li><li>- Municipal Occupancy, if applicable (passed inspection required, permit required if allowed before closing)</li></ul>

**Additional Requirements:**

<b>Primary Loan</b>	<ul style="list-style-type: none"><li>- CLTV cannot exceed 105%</li><li>- Must be FHA, conventional, USDA, VA, Fannie Mae, Freddie Mac, MHDC, or approved portfolio product</li><li>- Fixed rate and minimum 10-year loan term, market rate APR</li><li>- Can use automated or manual underwriting</li></ul>
<b>Jurisdiction Approval</b>	<ul style="list-style-type: none"><li>- We are required to reserve funds with St. Louis County. If the dollar amount changes, we need their additional approval.</li></ul>
<b>Closing</b>	<ul style="list-style-type: none"><li>- We are required to attend closing</li><li>- We will bring our closing documents and the check for DPA funds</li></ul>

## Homebuyer Requirements

**Required for Pre-Approval:** Our intake packet must be submitted in addition to these documents. More Income and Assets may be required for Final Approval, as they must be dated within 30 days of closing.

<b>Income</b>	<ul style="list-style-type: none"> <li>Must provide documentation for <b>any and all that apply</b> for all adults 18+ who will be living <b>in the future home</b>.</li> <li>Includes <b>all sources</b> of income, such as multiple jobs or income an adult might receive on behalf of a dependent.</li> </ul>
<p><input type="checkbox"/> <b>Pay stubs:</b> Most recent, consecutive <b>3 months (90 days)</b> from all jobs held. Must be dated within 30 days of closing.</p> <ul style="list-style-type: none"> <li>Weekly pay: 14 pay stubs</li> <li>Bi-weekly pay: 7 pay stubs</li> <li>Semi-monthly pay: 6 pay stubs</li> <li>Monthly pay: 3 pay stubs</li> </ul> <p><input type="checkbox"/> <b>Most recent award letter:</b> Social Security, Disability, SSI, Retirement, Pension, etc.</p> <p><input type="checkbox"/> <b>Child support:</b> Court order <u>and</u> 13 months of history. If court-ordered in Missouri, we can look up the history with the case number. History must be dated within 30 days of closing.</p> <p><input type="checkbox"/> <b>Alimony/Divorce Stipend</b></p> <p><input type="checkbox"/> If you are <b>self-employed</b> (business income/Uber/other), please contact us for further instructions.</p> <p><input type="checkbox"/> Any other income that may be received by future household members</p>	
<b>Assets</b>	<ul style="list-style-type: none"> <li>Must be from <b>all accounts</b> held, such as multiple checking accounts, savings accounts, etc.</li> <li>This applies to bank accounts, retirement accounts, and prepaid debit cards.</li> </ul>
<p><input type="checkbox"/> <b>Checking accounts (including prepaid debit cards):</b> Most recent <b>6 months</b></p> <p><input type="checkbox"/> <b>Savings accounts (including retirement accounts):</b> Most recent <b>1 month</b></p>	
<b>Taxes</b>	<ul style="list-style-type: none"> <li>We do <b>not</b> need state returns or W2s/1099s.</li> </ul>
<p><input type="checkbox"/> <b>Federal Tax Return:</b> Most recent 1 year</p>	

### Required for Final Approval:

1. Current photo ID for everyone who will be on the DPA loan
2. Homebuyer Education Course
  - a. For our version through eHome America (\$115), [CLICK HERE](#).
3. Budget
  - a. Complete the Excel or PDF. Please read the Budget Instructions.
4. Fee for counseling session (\$115)
  - a. We will send an invoice after we issue the pre-approval.
  - b. This invoice will be emailed to you. It may come from [info@thehousingpartnershipstl.org](mailto:info@thehousingpartnershipstl.org). It will reference PayPal, but you can pay with any debit or credit card.
5. One-on-one counseling session with our agency
  - a. You must pay the fee first.
  - b. We will reach out to you when we are ready to schedule.
6. Inspections – We request these documents from your real estate agent, but you may need to work with them to get these done. Review the Inspection Requirements section for more details.
7. Receipts for any inspections you've paid for
  - a. We must make sure you have at least \$1,000 of your own money vested into the home purchase.
  - b. You don't need to send receipts for the earnest money, homebuyer education course fee, or counseling session fee – we will have proof for those items.

## Lender Requirements

All documents needed from the lending team are listed below. Some items are most important to receive early since they are needed to complete a preliminary review of the file.

### Required for a Pre-Approval:

1. Loan Application (1003)
2. Credit report
3. Loan Estimate

### Required for a Final Approval:

1. Confirmation of any other loans or grants being used
2. Appraisal
  - a. Property value must meet or exceed the purchase price from the sales contract.
  - b. Property must be located in Flood Zone X.
3. Homeowners Insurance – Please add St. Louis County as an additional insured party
  - a. Mortgagee clause: St. Louis County, St. Louis County Office of Community Development, 500 Northwest Plaza, Suite 801, St. Ann, MO 63074
  - b. No loan number needs to be referenced.
  - c. The policy effective date must match the closing date. If the closing is pushed out significantly, we may request an updated effective date.
4. Points Purchased – There are restrictions on the Closing Disclosure: Section A, Line 01 Buying Points (Borrower-Paid).
  - a. Info we need from you:
    - i. Amount of down payment required
    - ii. How much the buyer is purchasing in points
    - iii. How much \$ the buyer is saving each month by purchasing those points
  - b. Base Rule: Points cannot exceed \$1,000. We also must make sure there's a breakeven of 3.5 years or less.
  - c. Exception: If the buyer has enough saved for the down payment based on the assets we have, the buyer can buy down more points up to 50% of the amount they've saved.
  - d. If the points are under the Seller Paid or Paid by Others columns on the CD, then these restrictions do not apply.

### Additional Required Items:

1. Loan Commitment Letter
2. Prelim Closing Disclosure – The one that's disclosed to the buyer 3 days before closing.
3. Final & balanced Closing Disclosure – We can't leave for closing until we approve this version. Please keep us in the loop.
  - a. Review the Closing Disclosure section for more instructions.

## Closing Disclosure

**Please adhere to the "Points Purchased" rule above regarding Section A, Line 01 Buying Points (Borrower-Paid).**

The down payment assistance loan must be listed in Section L *EXACTLY* as:

- **St. Louis County, MO DPA**
- Must use the **net dollar amount** indicated by the ALTA statement created by the title company after recording fees and processing fees are subtracted out for the loan

Buyer must have at least \$1,000 vested into the transaction from their own funds. This must be verified by receipts and/or itemized on the Closing Disclosure (CD) as a POC item (Paid Outside of Closing).

- Can include but is not limited to: earnest money, inspections, homebuyer education course fee, and counseling session fee
- **If the CD has a refund, that refund lessens the total amount vested by the Buyer, which still must equal at least \$1,000.**
- Example Scenario: \$1,000 earnest money + \$500 appraisal paid by Buyer = \$1,500 vested, but with a refund of \$600 indicated on the CD, this really = \$900 that the client has vested. We need to verify they have vested at least \$100 somewhere else to get them to \$1,000.

## Real Estate Agent Requirements

All documents needed from the real estate agent are listed below. Some items are most important to receive early since they are needed to complete a preliminary review of the file.

### Required for a Pre-Approval:

1. Fully executed sales contract with all counteroffers, riders, disclosures, and amendments

### Required for a Final Approval:

1. Inspection notice, if applicable
  - a. Please confirm if this doesn't apply so it can be removed from the list.
2. Documentation for HOA or Condo Association dues, if applicable
  - a. Please confirm if this doesn't apply so it can be removed from the list.
3. URA Property Owner Statement – The Seller must complete this form.
  - a. The property **will not** qualify for the program if a tenant has recently occupied the property (currently or within the last 90 days). This includes instances where the current owner moved out prior to selling the home.
  - b. The property **will** qualify for the program if it has been vacant for 90+ days, it is currently occupied by the owner, or it is being purchased by the current tenant.
4. Documentation for required property inspections:
  - a. Building inspection by ASHI certified or InterNACHI certified inspector
  - b. 1<sup>st</sup> Time Homebuyer Inspection by St. Louis County
    - i. Visual Lead Assessment: Inspection must pass. We need the inspector's letter.
    - ii. Occupancy Permit: Inspection must pass. We need the permit that comes after the inspector's report. All members of the homebuyer's future household will need to be listed.
  - c. Municipal Occupancy Permit, if applicable – If the home is located in a municipality, their occupancy inspection must be completed and passed before closing. Information for all members of the homebuyer's future household will need to be listed on the permit, if requested by the municipality. If the municipality only allows current homeowners to receive this, the Buyer will need to get this ASAP after closing.



## Inspections Requirements

The Buyer and real estate agent should work together as needed for these items. Please keep us in the loop on any issues, such as a failed inspection.

### Building Inspection

This must be completed by an **ASHI Certified or InterNACHI Certified Inspector**.

#### **ASHI:**

Find an inspector: <https://www.homeinspector.org/Find-An-Inspector/Additional-Search-Options>

Inspectors that fit the requirement will have this seal next to their name:



Please reference the link above to verify that the person doing the inspection is fully certified and not just a Member or an Associate Member working towards their certification. **Even if someone has an ASHI number tied to their name, that does not mean they are properly certified.**

#### **InterNACHI:**

Find an inspector: <https://www.nachi.org/certified-inspectors>

Inspectors that fit the requirement will have this seal next to their name:



Please reference the link above to verify that the person doing the inspection is InterNACHI certified.

### 1<sup>st</sup> Time Homebuyer Inspection by St. Louis County

#### **Overview:**

It can take at least 1-2 weeks to get an inspector out to the property, depending on availability of the inspectors. Please plan accordingly.

There are two components to this inspection:

1. Visual Lead Assessment – must pass interior & exterior
  - a. There are minimal accepted levels of chipping, cracking, peeling, flaking, or chalking paint on the inside or outside of the home.
2. Occupancy Inspection – must pass
  - a. The Occupancy Permit must list **everyone** who will be residing in the home.
  - b. Household size cannot exceed the amount allowed on the occupancy permit.

**These are the documents we require for the DPA program:**

- Visual Lead letter
- Occupancy Permit including the names of all future occupants in the Buyer's household

### **Scheduling:**

Homebuyer or their real estate agent must complete a **Residential Re-Occupancy Permit** application with St. Louis County Public Works.

### **To complete the application:**

1. **Online:** Fill out an application at: <https://aca.stlouisco.com/CitizenAccess/Default.aspx>
  - a. Create an account.
  - b. For the reason for change of occupancy, select “first time homebuyer”.
  - c. Occupant names must be listed in the “Occupant” box. **All occupants who will be living in the home must be listed.**
  - d. List the program you are going through (The Housing Partnership) in the “comments for inspector” box.
  - e. Once they process the application, they will reach out to you to schedule the inspection.
2. **By Hand:** A mailed or emailed copy of the application can be requested by calling 314-615-5184 or 314-615-4100.
  - a. **All occupants who will be living in the future home must be listed.**
  - b. List the program you are going through as The Housing Partnership.

The cost is \$80.00 for unincorporated St. Louis County and \$95.50 for municipalities. There is a \$20 administrative fee for cancelled applications. No refund will be issued after the first inspection.

### **To submit the application:**

- Email the application to [permits@stlouiscountymo.gov](mailto:permits@stlouiscountymo.gov)

### **For questions about your application:**

- Phone: 314-615-5184 or 314-615-4100

For more details, go to this link:

<https://stlouiscountymo.gov/st-louis-county-departments/transportation-and-public-works/re-occupancy-permit-applications/>

### **If It Fails:**

If the initial inspection fails for either the Occupancy or Visual Lead portion, then the issues must be addressed. Once the issues are fixed, a re-inspection must be scheduled with St. Louis County.

This process must be repeated as necessary. Both the Occupancy and Visual Lead portions **must pass** in order to qualify for the DPA program.

## **Municipal Occupancy Permit**

If the property is located within a municipality, the homebuyer is still required to obtain an occupancy permit from the municipality. This is required in addition to the STL County 1<sup>st</sup> Time Homebuyer Inspection.

The inspection must be completed and passed before closing. Household size cannot exceed the amount allowed on the occupancy permit. **The occupancy permit must list everyone who will be residing in the home**, if the municipality asks for such details.

Sometimes, the municipality only allows current homeowners to have an occupancy permit in their name. The passed inspection is required no matter who is allowed to receive the occupancy permit, so you may need to work with the Seller to schedule it. If this applies, then **the Buyer must obtain that permit ASAP after closing**. Jennings and Pagedale are two examples where this issue occurs.

## Title Company Requirements

All documents needed from the title company are listed below. These items are not required to issue a pre-approval or final approval, but they are still required for the program.

1. Title Commitment adding a policy for St. Louis County
  - a. Held in Fee Simple title
  - b. Name: St. Louis County, MO DPA
  - c. Amount: \$7,000
  - d. The DPA loan can be added to the title policy of the primary loan if needed.
2. ALTA settlement statement for the mortgage with St. Louis County
  - a. To our knowledge, the recording fees are \$24 for the first page, \$3 for any additional pages. If this fee structure changes, please let us know so we can update our information.
  - b. Deed of Trust: 11 pages (\$54)
  - c. Notice of Sale: 2 pages (\$27)
  - d. In order for the Buyer to get the maximum benefit of this assistance, we request all fees (including the above DPA fees and your company's fees), do not exceed \$300, if possible.
3. Closing Disclosure: We **don't** need your version of this, but it's an FYI for the DPA program:
  - a. DPA loan in Section L: **St. Louis County, MO DPA**
  - b. Amount: Must use the **net amount** indicated by the ALTA statement created by the title company after recording fees and processing fees are subtracted out for the loan