



OPENING THE DOOR TO HOMEOWNERSHIP

The Homes by CFE Down Payment Assistance (DPA) program is designed to increase Black and Latinx homeownership in the District of Columbia and Select counties in Maryland to eliminate the financing gaps experienced by the Black and Latinx community. The DPA program uses the Special Purpose Credit Program framework to provide assistance to Black and Latinx borrowers with unmet credit needs that have locked them out of homeownership.

20%
Down Payment Assistance



DOWN PAYMENT ASSISTANCE

Homes by CFE provides up to 20% of the purchase price of the property to the borrower for down payment



SIMPLE REPAYMENT TERMS

Interest is fully deferred for the first 5 years of the loan, with regular principal and interest payments thereafter. The deferred interest is due when the property is sold, refinanced or the loan matures.



ADDITIONAL PURCHASE ASSISTANCE

Homes by CFE also provides up to \$10,000 in purchase assistance for income qualified borrowers at or below 100% MFI.

HOMES BY CFE PROGRAM GUIDE

Program Basics

The DC and Maryland housing market is a challenging landscape for potential homeowners. Many borrowers are mortgage-ready, but Black and Latinx buyers are often disadvantaged when saving for down payment and closing costs to purchase a home. Homes by CFE was created with those borrowers in mind.

Our solution is simple. The Homes by CFE DPA program provides additional capital as down payment assistance and additional purchase assistance for income-qualified borrowers. The assistance is provided as a second trust mortgage lien on the property. The borrower receives a five-year deferred interest period requiring no monthly payment with regular principal and interest payments beginning in year six. This assistance can help borrowers close the gap between what they have and what they need to become homeowners in D.C.

Eligibility

Borrowers must meet all of the following eligibility criteria to qualify for the Homes by CFE program.

Race and Ethnicity

Homes by CFE is a Special Purpose Credit Program created to expand homeownership opportunities for the African American / Black and Hispanic / Latinx communities. Borrower must identify as African American / Black and Hispanic / Latinx to qualify. Learn more about Special Purpose Credit Programs on our website.

Location and Property Type

Borrower must be purchasing a property in the District of Columbia, Prince Georges, Charles or Baltimore city and County. Eligible properties include single family homes, condominiums, and cooperative units. Multi-family units consisting of 1-4 units are not eligible for this program.

Property Purchase Price

Purchase price of the property cannot exceed \$625,000. (Maximum purchase price is adjusted annually and is subject to change.)

Residency

Homes by CFE assistance is only available for the purchase of a primary residence in the District of Columbia, Prince Georges, Charles and/or Baltimore City and County.

Income Limits

Borrower's income must fall below 120% Median Family Income (MFI) for their household size. If there is a co-borrower the co-borrower's income must be included. Children and additional dependents are included in household size. For additional closing cost assistance, income must fall at or below 100% MFI.

DISTRICT OF COLUMBIA Median Family Income Chart

Household Size	80% MFI	100% MFI	120% MFI
1	\$85,200	\$106,450	\$127,750
2	\$97,350	\$121,700	\$146,000
3	\$109,500	\$136,900	\$164,250
4	\$121,700	\$152,100	\$182,500
5	\$133,850	\$167,300	\$200,750
6	\$146,000	\$182,500	\$219,000
7	\$158,200	\$197,750	\$237,300
8	\$170,350	\$212,950	\$255,550

MARYLAND Median Family Income Chart

Household Size	80% MFI	100% MFI	120% MFI
1	\$66,250	\$82,800	\$99,360
2	\$75,750	\$94,650	\$113,580
3	\$85,200	\$106,450	\$127,740
4	\$94,650	\$118,300	\$141,960
5	\$102,250	\$127,750	\$153,300
6	\$109,800	\$137,250	\$164,700
7	\$117,400	\$146,700	\$176,040
8	\$124,950	\$156,150	\$187,380

MFI is calculated based on the location of the property being purchased.

These limits are based on the Maryland and DC MFI guidelines. These figures are updated annually.

Borrower must be a first time Homebuyer

Homes by CFE uses the FHA definition of first time homebuyer.

A first time homebuyer is defined as:

- Individuals who have had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This may also include a spouse, so if either meets the above test, they are considered first-time homebuyers.
- Single parents who have only owned a property with a former spouse while married.
- Individuals who are displaced homemakers and have only owned with a spouse.
- Individuals who have only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- Individuals who have only owned property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Cash Reserves

After the loan closes, the borrower may not have more than six months of cash reserves. Cash reserves are defined as the total of all mortgage payments, including Homes by CFE assistance, plus taxes and insurance. (This does not include 401ks).

First Trust Lender

Borrower must be able to qualify for a conventional mortgage with a first trust lender, and mortgage lender must be willing to accept the terms of the Homes by CFE Down Payment Assistance loan. For a smooth process please see our preferred lender list on our website.

First Time Home Buyer Counseling and Program Orientation

Borrower must participate in home buyer Counseling and provide a certificate of completion to Homes by CFE. Borrower must also complete Homes by CFE's homebuyer orientation.

The Specifics

DPA Program Assistance Amounts

Homes by CFE contributes up to a maximum of 20% of the purchase price in down payment assistance up to a maximum of \$100,000. Borrower is able to contribute additional funds to their home purchase. Borrowers may also choose to take less than the eligible amount of DPA assistance offered. The DPA program total assistance amount will be reduced to keep the maximum program contribution at 20%.

Additional Purchase Assistance

For borrowers who fall at or below 100% Median Family Income (see income eligibility for limits), an additional \$10,000 is available for purchase assistance. Purchase assistance funds may be used for closing costs or debt repayment. Credit Card debts are not permissible, but items such as student loans and car notes are eligible and are subject to lender approval. Any additional purchase assistance is optional and is bundled with the Homes by CFE Program loan. The total Loan to Value (LTV) (total of all mortgage loans and all additional assistance financed) must fall below 105% of the purchase price of the property. Purchase price limits still apply.

Interest Rate

The Interest rate is determined by the rate set on your first trust mortgage minus 2%. The current rate floor for the program is 4%. The interest rate charged on DPA Program assistance is evaluated quarterly to ensure affordability to program participants.

Repayment

Borrowers receive a 5-year interest deferred period with no required monthly payment. The loan term is 30 years, and the loan is amortized over 25 years. Borrowers will know their payment start date and the estimated total payment amount before the loan closes. However, there is no pre-payment penalty on the loan, and borrowers can make payments at any time during the interest-deferred period to reduce their outstanding deferred interest balance before the payment start date. The deferred interest plus any remaining outstanding principal balance is repaid when the loan is refinanced, transferred or the loan matures or when the property is sold. Any payments made during the interest deferred period will be applied first to any outstanding deferred interest then to principal.

The Process



Complete the Homes by CFE Program Application

Once your lender referral form is received by your lender you will receive a link to our program application. The DPA program application collects preliminary information about you and your co-borrower (if applicable). Within 48 hours of receiving your program application, a member of the Homes by CFE team will be in touch about your eligibility and next steps in applying for down payment and purchase assistance.



Speak with a Homes by CFE Mortgage Specialist

We'll schedule time to learn more about your needs, answer questions, and provide preliminary terms. Homes by CFE staff works with our borrowers to ensure they feel supported in their homeownership journey.



Complete the loan application

We'll learn more about your needs, answer questions, and provide preliminary program terms. You'll complete a release so that we can utilize the same documents that you're sharing with your first trust lender.



Underwriting begins

Our mortgage professionals work closely with your first trust lender to ensure all necessary documentation is in order. A credit authorization is completed by the borrower and all income and credit information is reviewed. If qualified, your assistance amount and payment are calculated to ensure they are affordable to you. A final notice of program approval and the closing cost disclosure will be provided for review and signature within 3 business days of closing for your review.



Homeowner Orientation

We go over the program terms and closing documents together to ensure you fully understand the loan terms and how repayment works. This mandatory program orientation ensures transparency and gives borrowers the opportunity to ask any final questions.



Closing

Our team can move from approval to loan issuance within three days of receipt of all documentation, largely depending on when we receive the necessary documentation. We coordinate with your first trust lender and the title company to prepare your loan for closing. Funds are sent directly to escrow in advance of closing.

READY TO APPLY?

Visit our website to review eligibility terms and learn about next steps.

<https://www.homesbycfe.org/program-eligibility/>

Have Additional Questions?

City First Homes, Inc. dba Homes by CFE

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All information contained herein is for informational purposes only. Rates, terms, programs and underwriting policies subject to change without notice. This is not an offer to extend credit or a commitment to lend. All down payment assistance loans are subject to underwriting approval.

