



Homes by CFE

Down Payment Assistance Program



OPENING THE DOOR TO HOMEOWNERSHIP

The Homes by CFE (HBCFE) 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 communities. The DPA program uses the Special Purpose Credit Program (SPCP) framework to provide assistance to borrowers with unmet credit needs that have locked them out of homeownership.

20%*
Down Payment Assistance



DOWN PAYMENT ASSISTANCE

Eligible buyers may obtain a down payment assistance loan up to 20% of the property's purchase price, after any grant funds have been applied, for a maximum loan amount of \$60,000.



SIMPLE REPAYMENT TERMS

The interest is 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 when the loan matures.

*All terms and conditions are subject to successful completion of the underwriting process

**Resubordination is available and subject to approval, fees and other considerations

City First Homes (CFH) is an Equal Opportunity Housing Assistance Provider and does not discriminate on the basis of handicap, race, color, national origin, religion, sex, marital status, or age. Successful applicants to the Homes by CFE program must meet all eligibility requirements. CFH is a Nonprofit, Exempt, Mission Based 501c3 Organization. NMLS #1503997

HOMES BY CFE PROGRAM GUIDE

Program Basics

The DC and Maryland housing market is challenging for aspiring homeowners.

Many borrowers are mortgage-ready, but Black and Latinx buyers are often disadvantaged when saving for a down payment and closing costs. Homes by CFE was created with those borrowers in mind.

Our solution is simple. HBCFE DPA program provides additional capital as down payment assistance for income-qualified borrowers. The assistance is provided as a second trust mortgage. 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.

Eligibility

Borrowers must meet the following eligibility criteria for the program.

Residency

Must be purchasing a primary residence, and be considered a first-time home buyer.

Location

The property must be in the District of Columbia or the following Maryland counties: Prince George's, Charles, Baltimore County, and Baltimore City.

Property Type

Eligible properties include single-family homes, condominiums, and cooperative units. Multi-family units of 4 units or more do not qualify for this program.

Property Purchase Price

The property's purchase price cannot exceed \$625,000.

First Time Home Buyer Counseling and Program Orientation

The borrower must participate in first-time home buyer counseling by a HUD-approved group, provide a certificate of completion, and complete the HBCFE orientation.

Demographics

To qualify under the SPCP framework, primary borrowers must identify as African American or Black and Hispanic or Latinx.

Income Limits

The borrower's income must fall below 120% of the Median Family Income (MFI) for their household size, and any co-borrower's income will also be included. Children and additional dependents are incorporated into the household size.

Finances

The borrower may not have had any charge-offs or delinquencies in the previous six months and must have a solid repayment history.

The Specifics

The borrower will be underwritten to ensure their mortgage payment and HBCFE DPA loan affordability

First Trust Lender

The borrower must qualify for a conventional mortgage with a first trust lender, and that lender must be willing to accept the terms of the HBCFE DPA loan program. Our preferred lenders on our website have agreed to meet our terms.

Combined Loan to Value (CLTV)

The maximum CLTV is 105%, including any additional purchase assistance if qualified. If the total amount of assistance the borrower is eligible for and the total amount financed (including all loans) is over 105%, we will reduce the HBCFE loan amount to ensure that the total amount financed remains below 105% CLTV.

Debt to Income (DTI)

Borrower's total debt-to-income ratio, including their monthly mortgage payment, should not exceed 45% at closing.

DPA Program Assistance Amount

Eligible buyers may obtain a down payment assistance loan up to 20% of the property's purchase price, after any grant funds have been applied, for a maximum loan amount of \$60,000. This amount is subject to underwriting. Borrowers may also take less than the eligible amount of DPA assistance offered and contribute additional funds to their home purchase or utilize additional assistance programs.

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 the HBCFE DPA loan 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 is amortized over 25 years. Borrowers will know their payment start date and the estimated total payment amount before the loan closes.

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. Any payments made during the interest-deferred period will be applied first to fees (if any), outstanding deferred interest, and then to the principal. The deferred interest plus any remaining outstanding principal balance is repaid when the loan is refinanced, transferred, matures, or when the property is sold. Resubordination is available and subject to approval, fees, and other considerations.

The Process



First Trust Lender Submits your Homes by CFE Referral Application

The process starts once HBCFE receives a Lender Referral Form from your first trust lender. We will review those details and contact you on the next steps in applying for a down payment assistance loan.

HBCFE Orientation

We'll schedule a program orientation, which lasts about 30-45 minutes. During this conversation, we'll present the program terms to ensure you fully understand the eligibility requirements, application process, and how repayment works. This is mandatory, provides transparency, and allows borrowers to ask questions.

After that meeting, we will send you a Pre-Approval Letter and Release of Information Form to complete so we can use the documents you're sharing with your first trust lender for your HBCFE loan application.



Loan Application

We will work with you and your first trust lender to complete the loan application by collecting all the supporting documentation for underwriting. We will then send you the HBCFE program application to review and sign.



Underwriting

When a loan is in the underwriting phase, we will evaluate your financial background to qualify you for the HBCFE DPA loan. This involves reviewing your application and documents, checking your credit history, verifying your income and employment, analyzing your debts, and appraising the property. Based on this information, we will approve, deny, or request more details to make a final decision. This process can take a few days. If approved, a Conditional Approval Letter will be provided along with the Closing Cost Disclosure for review and signature.



Closing

We coordinate with your first trust lender and the title company to prepare your HBCFE loan for closing. Your loan funds (less our underwriting fee) are sent directly to escrow for closing.



Post Closing

Shortly after you close on your new home, our servicing team will contact you to provide additional disclosures and your loan portal details.

READY TO APPLY?

Visit our website to review eligibility terms and have your first trust lender reach out to us:
<https://www.homesbycfe.org>

Have Additional Questions?
City First Homes, Inc. dba Homes by CFE
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Phone: 202.745.4490
NMLS # 1503997

[homesbycfe.org](https://www.homesbycfe.org)

All information contained herein is for informational purposes only. Rates, terms, programs, and underwriting policies are 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.



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