



**STATEWIDE SECOND LIEN REPAYABLE DOWN PAYMENT ASSISTANCE LOAN PROGRAMS**

	<b>90-Day Down Payment Assistance Program</b>	<b>Mortgage Advantage Program</b>
<b>About the Programs</b>	<ul style="list-style-type: none"> <li>These programs are intended to allow the consumer to take advantage of recent legislation by receiving a short term loan prior to filing for and receiving the federal first time homebuyer tax credit.</li> </ul>	
<b>Assistance</b>	<ul style="list-style-type: none"> <li>5% of the first lien mortgage amount up to a maximum of \$7,000 for down payment and/or closing costs.</li> </ul>	<ul style="list-style-type: none"> <li>5% of the first lien mortgage amount up to a maximum of \$6,000 for down payment and/or closing costs.</li> </ul>
<b>Requirements</b>	<ul style="list-style-type: none"> <li>Each homebuyer is required to complete a pre-purchase homebuyer education course.</li> <li>Homebuyers must be eligible to claim the federal first time homebuyer tax credit.</li> <li>Homebuyers must complete IRS Form 5405 and file an amended 2008 IRS federal tax return.</li> </ul>	
		<ul style="list-style-type: none"> <li>Homebuyers must meet the First Time Homebuyer or Mortgage Credit (MCC) Program guidelines.</li> </ul>
<b>Availability</b>	<ul style="list-style-type: none"> <li>The funds are available only on qualifying purchases made by December 1, 2009 to eligible borrowers on a first come, first serve basis.</li> </ul>	
	<ul style="list-style-type: none"> <li>The program is available in conjunction with first lien mortgage loans originated by a participating lender.</li> </ul>	<ul style="list-style-type: none"> <li>The program is only available in conjunction with TDHCA's existing Texas First Time Homebuyer or Texas Mortgage Credit (MCC) Programs.</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>The tax credit must be repaid to IRS if the borrower sells or moves from the home within three years.</li> <li>As pay-offs from the programs are received, TDHCA will recycle those funds back into the programs.</li> </ul>	
	<ul style="list-style-type: none"> <li>The 90-Day DPAP offers 0% interest for 90 days</li> <li>Failure to repay the down payment assistance loan in full within 90 days will result in monthly payments of principal and interest for two (2) years with an interest rate of 10%. Using this scenario, a homebuyer borrowing \$7,000 would have a second lien note of approximately \$323 per month.</li> </ul>	<ul style="list-style-type: none"> <li>The MAP offers 0% interest for 120 days.</li> <li>Failure to repay the down payment assistance loan in full within 120 days will result in monthly payments of principal and interest for five (5) years with an interest rate of 7%. Using this scenario, a homebuyer borrowing the maximum of \$6,000 would have a second lien note of approximately \$119 per month.</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>A \$250 administrative fee will be charged for both programs.</li> </ul>	
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Homebuyers who have not owned a principal residence during the last three year period prior to the purchase.</li> </ul>	
	<ul style="list-style-type: none"> <li>The income limit for single taxpayers is \$75,000; the limit is \$150,000 for married taxpayers filing a joint return.</li> </ul>	<ul style="list-style-type: none"> <li>Applicable income limits for the Texas First Time Homebuyer or Texas Mortgage Credit Programs.</li> </ul>
<b>About the Tax Credit</b>	<ul style="list-style-type: none"> <li>The tax credit is equal to 10% of the home's purchase price up to a maximum of \$8,000.</li> <li>Tax refunds are generally processed within 8 to 12 weeks, giving the borrower sufficient time to repay the TDHCA down payment assistance loan and take advantage of early repayment incentives.</li> <li>TDHCA recommends that every first time homebuyer consult with their tax advisor on how to maximize the benefits of this unique homebuyer assistance opportunity.</li> </ul>	