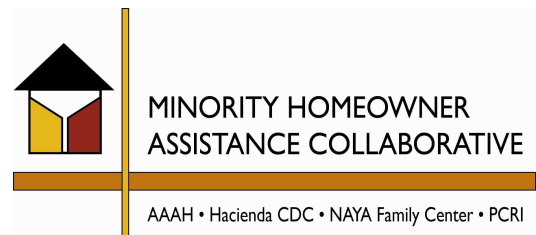


DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Introduction

The **Down Payment Assistance Loan (DPAL)** program is a homebuyer assistance tool designed for first time, low-to-moderate income homebuyers interested in purchasing a home in the Interstate Corridor or Lents Town Center Urban Renewal Areas. The Portland Housing Bureau has contracted with the Minority Homeowner Assistance Collaborative (MHAC) to prepare, screen and refer MHAC clients for the DPAL Program. Short Sale properties are not eligible for this program.

To obtain a DPAL, applicants must apply and be screened and referred by MHAC. Homebuyers must use the home purchased through DPAL as their primary residence for the life of the loan and must be a US citizen or legal resident. Once the home is bought, there are no ongoing income limits or annual income certifications due.

The Portland Housing Bureau will be providing the loans and will work with the applicant and their mortgage lender to prepare and approve the loan package. Recommended mortgage lenders are listed on page 12. Additional lenders may be approved— please contact Homeownership Staff at any MHAC agency for the most current lender listings.

The **Minority Homebuyer Assistance Collaborative (MHAC)** is an initiative of local non-profit organizations; The African American Alliance for Homeownership (AAAH), Hacienda Community Development Corporation (Hacienda CDC), Native American Youth and Family Center (NAYA Family Center) and Portland Community Reinvestment Initiatives, Inc. (PCRI).

How to Apply

If you have questions, please contact Homeownership Staff at one of the MHAC partner agency organizations.

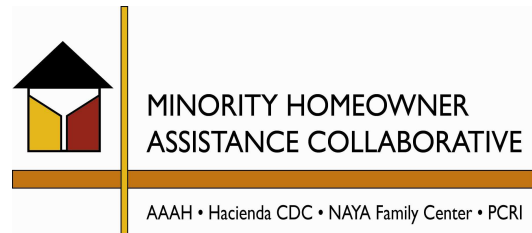
- Complete and submit all the documents, with signatures, listed on the **Application Checklist (page 5)** to one of the MHAC partner agency locations, via mail, email or fax.
- An incomplete or late application packet may result in a denial of assistance by the MHAC DPAL Program Committee.

Application Deadlines & Award Announcement

- **The first application due date is Friday September 23rd and the first award notifications will be made October 7th. After this date applications will be accepted on an ongoing basis the 2nd and 4th Fridays of every month.**
- **Please see the chart on page 2 for the application and award table. For more information call any of the MHAC agencies.**
- DPAL assistance awards will be based on need and availability of funds.
- If an application is approved by MHAC, you should begin working with your First Mortgage Lender to prepare a DPAL loan package to submit to Heidi Martin, *Housing Loan Coordinator*, City of Portland Housing Bureau, 503-823-4978, or Heidi.Martin@portlandoregon.gov.



DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Application Deadlines and Award Announcement

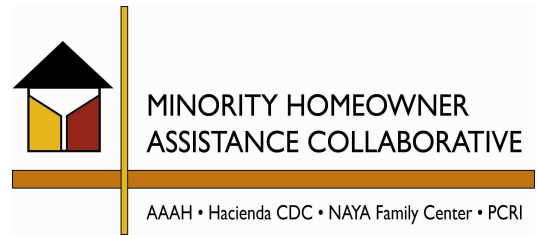
	Application Due Date	Award Announcement
2011	On the 2 nd and 4 th Friday of every month by 5pm, through December 9 th , 2011.	On the 1 st and 3 rd Friday of every month by 5pm, through December 16, 2011.
2012 - If funds remain available	On the 2 nd and 4 th Friday of every month by 5pm, beginning January 13 th , through March 2012.	On the 1 st and 3 rd Friday of every month by 5pm, beginning January 27 th through March 2012.

Documents Included in this packet

Page(s)

<input type="checkbox"/> Cover sheet and How to Apply.....	1
<input type="checkbox"/> Minority Homeowner Assistance Collaborative Fact Sheet	3
<input type="checkbox"/> Selection Criteria	4
<input type="checkbox"/> Application Packet Checklist	5
<input type="checkbox"/> Program Application.....	6-8
<input type="checkbox"/> Release of Information.....	9
<input type="checkbox"/> MHAC Program Participant Form	10
<input type="checkbox"/> Lender Pre-Approval Form.....	11
<input type="checkbox"/> Recommended Lenders	12
<input type="checkbox"/> Down Payment Assistance Loan Information from Portland Housing Bureau	13-14
<input type="checkbox"/> Maps of Interstate Corridor or Lents Town Center Urban Renewal Areas	15-16

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Minority Homeowner Assistance Collaborative (MHAC) Fact Sheet

The **Minority Homeowner Assistance Collaborative (MHAC)** is an initiative of local non-profit organizations: The African American Alliance for Homeownership (AAAH), Hacienda CDC, Native American Youth and Family Center (NAYA Family Center) and Portland Community Reinvestment Initiatives, Inc. (PCRI). One of the goals of the collaborative is to facilitate culturally specific homebuyer education and counseling in English and Spanish to minorities who want to buy a home. In addition, MHAC wants to reduce the increasing number of mortgage foreclosures and support homeowner retention for future generations. MHAC collectively has supported over 400 households in achieving their goal of homeownership through homebuyer education and counseling.

The African American Alliance for Homeownership's (AAAH) mission is to increase homeownership and economic stability for African Americans and other underserved groups by improving access, ensuring advocacy, and providing awareness and education. AAAH's services are free and open to the public. These services include Homebuyer Education Classes, the annual African American Homebuyer Fair, One-on-one Counseling & Advocacy, the Homebuyer Coaching Project, and Individual Development Accounts (IDA).

AAAH 825 NE 20th Avenue, Portland, OR 97232 | 503-595-3517 | www.aaah.org



Hacienda CDC's mission is to develop affordable housing and build thriving communities in support of working Latino families and others in the region by promoting healthy living and economic advancement. Hacienda has served approximately 3,200 people of color residing in Oregon. Hacienda offers residential and community services such as community building, youth and adult programs.

Hacienda CDC 5136 NE 42nd Ave., Portland, OR 97218 | 503-961-6405 | www.haciendaccdc.org



The Native American Youth and Family Center works to enrich the lives of our Native youth and families through education, community involvement, and culturally specific programming. We have provided educational services, cultural arts programming, and direct support to reduce poverty to Portland's American Indian and Alaska Native community for over 30 years. NAYA Family Center offers culturally specific Homebuyer Education and Counseling that is free and open to everyone.

NAYA Family Center 5135 NE Columbia Blvd., Portland, OR 97218 | 503-288-8177 www.nayapdx.org

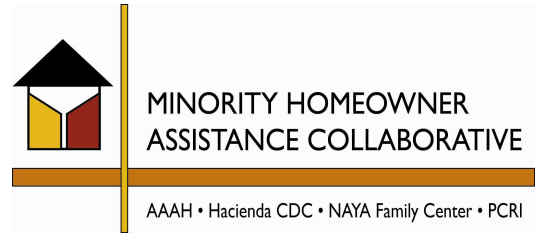


PCRI's mission is to preserve, expand and manage affordable housing in the City of Portland and provide access to and advocacy for services for our residents. PCRI's vision is to provide affordable housing and associated services that achieve family stability, self-sufficiency and resident wealth creation. The Homeownership and Thriving Families Programs are a few of the services provided.

PCRI 6329 NE MLK Jr. Blvd., Portland, OR 97211 | 503-288-2923 | www.pcrihome.org



DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Homebuyer Selection Criteria

The Minority Homeowner Assistance Collaborative’s objective is to ensure that a consistent criterion is used to qualify potential homebuyers for financial assistance that aligns with the grant application approved by the Portland Housing Bureau.

MANDATORY REQUIREMENTS (AS DEFINED BY PHB CRITERIA):

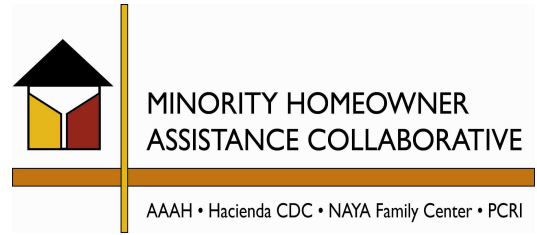
- First time homebuyer according to HUD guidelines (defined as not having owned a home in the last 3 years).
- Total household income must not exceed 80% of HUD median family income for the Portland area adjusted to household size (refer to chart, pg. 7).
- Combined liquid assets (cash and equivalent, stocks, bonds, and banks account balances, excluding retirement accounts) can not exceed \$10,000 at closing.
- Borrower(s) must have \$1,000 of their own funds or gift funds invested.

In addition to the above, a point system will be used by MHAC to evaluate and prioritize each application as follows:

Criteria	Max Points Available
Active MHAC Client (as verified through the MHAC Program Participant Form-page 10). <ul style="list-style-type: none"> • Completed an Intake and Assessment with one of the MHAC partner agencies = 1 point • Received a one-on-one Homebuyer counseling session, beyond the Intake and Assessment with an MHAC partner agency = 2 points • Engaged with an MHAC partner agency within the past 6 months beyond the intake and assessment session = 2 points 	5
In the past 6 months (from date of application) completed a HUD Approved Homebuyer Education class. Through any HUD Approved Homebuyer Education Class = 3 points; Received HUD Approved Homebuyer Education Class through an MHAC partner = 5 points	5
Median Family Income: Below 60% = 5 points, 70% = 4 points, at or below 80% = 3 points	5
Current Loan Approval (within the past 60 days from date of application received) = 5 points, no approval = 0 points	5

A minimum score of 16 points is required to be eligible for the DPAL program. Applicants with the highest score will receive priority. When scores are equal, applicants with the greatest need will receive priority.

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Application Checklist

Please make sure all documents listed below are included in your DPAL Application. Incomplete or missing documents may result in a denial of assistance by the MHAC DPAL Program Committee.

Applicant(s) Name(s): _____

Date of Submission: _____

I have completed an Intake and Assessment Session conducted by the following MHAC Partner (Please check which organization):

- AAAH Hacienda CDC NAYA Family Center PCRI

Name of staff member who provided an Intake and Assessment Session: _____

DOCUMENTS REQUIRED

NOTE: All Documents listed below must be included in a DPAL Program Application

- This Application Checklist (page 5)
- DPAL Program Application (pages 6-8)
- MHAC DPAL Program Release of Information (page 9)
- MHAC Program Participant Form (page 10)
- An 8 hour HUD Certified Homebuyer Education Class Certificate
- Lender Pre-approval form, completed by your first mortgage lender. Please attach any additional commitment approval letters with conditions (page 11)
- Executed Sales Agreement (Only if a home has been selected)
- Income Documentation for All Household Members. Pay stubs documenting at least two months of income, 2 years W2's and/or verifications of other income including SSI, SSD, Retirement and Tribal Per Capita. Counselors may require additional documentation.

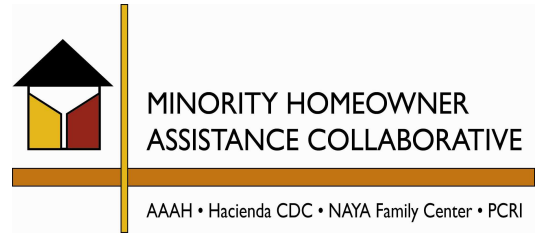
Signature of Applicant

Date

Signature of Co-Applicant

Date

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Program Application

I/We are applying for the Down Payment Assistance Loan program to purchase a home in the:
(Please indicate all that apply)

- Interstate Corridor Urban Renew Area
 Lents Town Center Urban Renewal Area

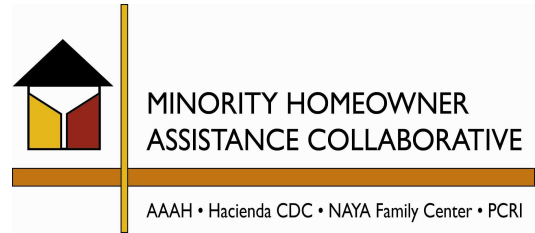
Self-Identified Need Amount: \$_____. Identifying need provides the committee with insight into applicant home purchase goals; however, the committee may not be able to award each applicant with the amount they have identified.

MUST BE COMPLETED BY APPLICANT(S)

Applicant First Name:		Applicant Last Name:	
Address:			
City:		State:	Zip Code:
Email:			
Primary Phone: _____		Alternate Phone: _____	
<input type="checkbox"/> Cell <input type="checkbox"/> Work <input type="checkbox"/> Home		<input type="checkbox"/> Cell <input type="checkbox"/> Work <input type="checkbox"/> Home	
SSN:		Date of Birth:	

Co-Applicant First Name:		Co-Applicant Last Name:	
Address:			
City:		State:	Zip Code:
Email:			
Primary Phone: _____		Alternate Phone: _____	
<input type="checkbox"/> Cell <input type="checkbox"/> Work <input type="checkbox"/> Home		<input type="checkbox"/> Cell <input type="checkbox"/> Work <input type="checkbox"/> Home	
SSN:		Date of Birth:	
Name(s) and age(s) of children who live with you:			

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



CERTIFICATION AND DECLARATIONS (EACH BORROWER TO INITIAL ON THE LINE PROVIDED BELOW):

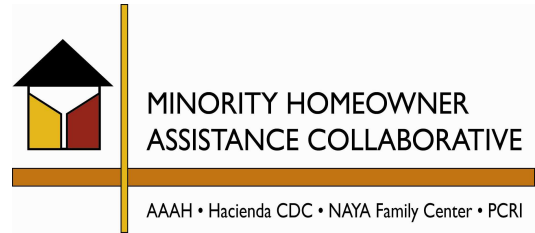
- ____ I (we) am a qualified first time home buyer as defined by HUD guidelines.
- ____ I (we) understand that the home purchased with the DPAL is intended as a primary residence for the life of the loan.
- ____ I (we) my/our household size (including borrower and co-borrower) is _____ and gross household income is \$_____. (This information is required to calculate MFI. Please note gross income is income before taxes and other deductions). I (we) understand that no income limits apply after the home is purchased.
- ____ I (we) do not have any interest in any other real estate.
- ____ I (we) have completed an 8 hour HUD certified homebuyer education class and have attached a copy (or the original if available) of the Homebuyer Education Certificate.
- ____ I (we) will occupy the property as our primary residence throughout the life of the DPAL. I/we understand that failure to continue to occupy the home as our primary residence will result in default of the loan.
- ____ I (we) understand that this application shall remain the property of MHAC, to which it is submitted for the purpose of applying for DPAL Program.
- ____ I (we) have personal resources to pay the minimum down payment/closing cost in the amount of \$1,000 or a gift from a family member (gift letter required).
- ____ I (we) do not have liquid assets (or readily convertible assets such as Certificate of Deposits) exceeding ten thousand dollars (\$10,000) after closing.
- ____ I (we) do not have any interest in any businesses other than the source(s) of income shown on this application.

PART C: FINANCIAL INFORMATION:

List all sources of income for every person residing in your household.

Household Member Name	Gross Monthly Income	Source of Income
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



EACH BORROWER PLEASE READ, INITIAL, SIGN AND DATE BELOW:

I (we) certify that the above statements and information, certification and declarations are true, accurate, and complete to the best of my (our) knowledge. I understand MHAC partners will decline my/our application if false or fraudulent information is found in the information I/we provided.

MHAC complies with requirements regarding the safeguarding and sharing of personal information as required by federal and state laws. Except as permitted by law, MHAC will not share or sell personal financial information with affiliates or non-affiliates not involved in the process of the application for assistance under this program.

You have the right to opt-out of providing MHAC with your personal information. If you want to exercise your right to opt-out we will not be able to process your program application for the financial assistance you are applying for.

____ I choose to opt-out of providing the information requested
 ____ I have read and agree with the terms to apply for assistance

Date: _____
 Date: _____

Signature of Applicant

Date

Signature of Co-Applicant

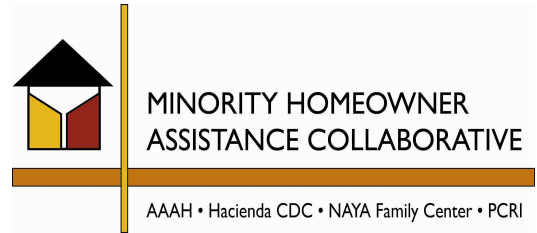
Date

2011 Chart for Median Family Income by Family Size, City of Portland, Oregon

Household Size	80% of Median Family Income
1	40,350
2	46,100
3	51,850
4	57,600
5	62,250
6	66,850
7	71,450
8	76,050

Source: US Department of Housing and Urban Development (HUD) – MFI Charts can be found on the PHB Website: www.portlandonline.com/PHB

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



MHAC DPAL Program Release of Information

To be completed by Applicant(s)

The applicant(s) identified below has/have applied for the Down Payment Assistance Loan Program through the Minority Homeowner Assistance Collaborative (MHAC) to acquire a home. With the signature(s) below they are authorizing you and/or your firm to release to MHAC the information requested.

Applicant

Co-Applicant

Name: _____

Name: _____

Date of Birth: _____

Date of Birth: _____

To Applicant:

All information so furnished is for the confidential use of MHAC. MHAC complies with federal and state laws regarding the safeguarding and sharing of personal information. Except as permitted by law, MHAC will not share or sell personal financial information with affiliates or non-affiliates not involved in the process of the application for assistance under this program.

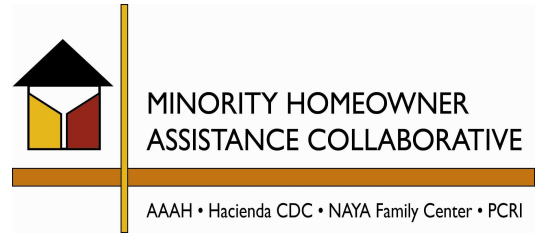
Signature of Applicant

Date

Signature of Co-Applicant

Date

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



MHAC Program Participant Form

To demonstrate your participation in the MHAC partners Homeownership Education and Counseling Programs, please complete the following form. Please contact your MHAC Homebuyer Education Counselor/Coach to sign this form. This form must be included when you submit your completed Application Packet.

Applicant(s) Name: _____

INTAKE and ASSESSMENT

I have completed an Intake and Assessment session conducted by an MHAC Partner on _____
(Date of Intake and Assessment)

Name of MHAC Organization _____

Name of Pre-purchase Counselor who provided an Intake and Assessment: _____

Initials of Applicant(s)

Initials of MHAC Pre-purchase Counselor

ONE on ONE COUNSELING SESSION

I have received a one-on-one homebuyer counseling session, beyond the initial intake and assessment, conducted by an MHAC Partner on _____
(Date of one-on-one counseling session)

Name of MHAC Organization _____

Name of Pre-purchase Counselor who provided a one-on-one counseling session: _____

Initials of Applicant(s)

Initials of MHAC Pre-purchase Counselor

ENGAGED in PROGRAM

I am actively engaged in the homebuying education and counseling program with an MHAC Partner.

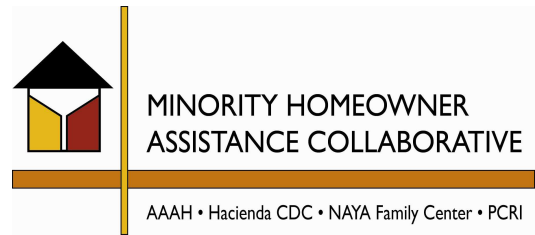
Name of MHAC Organization _____

Activities and date(s): _____

Initials of Applicant(s)

Initials of MHAC Pre-purchase Counselor

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



LENDER PRE-APPROVAL

This form must be completed by your primary (first) mortgage lender. Please include the original in your Application Packet. Applications are not complete until the 1st Mortgage Lender completes and returns this form to the MHAC coach.

Loan guidelines and industry standards apply: The intent of the guidelines and standards is to promote homeownership retention for prospective homebuyers and industry best practices when participating in the MHAC homeownership program. **Lenders – Please do not include a projected MHAC DPAL award in the pre-approval amount.**

- Loans must be 30 year, FHA, VA, Conventional or portfolio fixed rate mortgages only. Fully amortized loans; maximum 2% in discount and origination fees; temporary buy-downs allowed. Monthly payments and debt ratios must be calculated at fully indexed rate. Front and back end program ratios for DPAL are 25/42.

Borrower: _____

Co-Borrower: _____

Property Address (if available): _____

Gross Annual Income:	Borrower
Borrower's Household Size:	
Borrower's total assets (excluding automobiles, retirement accounts, and other non-liquid assets)****	
Has Borrower(s) owned a home in the last 3 years?	
Pre-approved first mortgage amount:*	
Loan Type:**	
Loan Term:	
Interest Rate:	
Points:***	
Borrower's _____ % Down Payment Requirement:	
Ratios Used:	

*Must be maximum feasible amount available to buyer, using program allowable ratios.

** Describe loan type such as FHA/VA, Oregon Bond, or type of conventional product.

*** Include additional points paid by borrower(s), if any.

****Liquid assets, including readily convertible liquid funds such as CD's must not exceed \$10,000 after closing.

Lender: _____

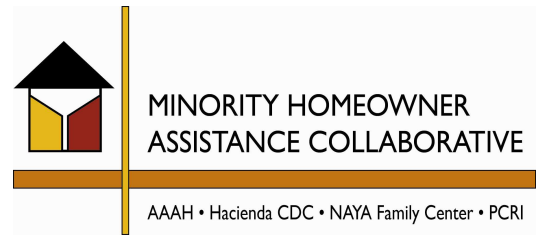
Loan Officer: _____ Office Number: _____

Direct Phone Number: _____ Cell Phone: _____

Fax Number: _____ Email: _____

- BORROWER(S) HAS HAD A FORECLOSURE WITHIN THE PREVIOUS 5 YEARS PRIOR TO LOAN CLOSING
- BORROWER(S) HAS HAD A BANKRUPTCY WITHIN THE PREVIOUS 2 YEARS PRIOR TO LOAN CLOSING

DOWN PAYMENT ASSISTANCE LOAN PROGRAM



Recommended Lenders

The Portland Housing Bureau will work with the applicant and their mortgage lender to prepare and approve the loan package. Additional lenders may be recommended– please contact Homeownership Staff at any MHAC agency for the most current lender listings.

Recommended DPAL Loan Officers		As of 9-12-11	
Loan Officer	Lender	Phone	Email
Kathi Baker	Bank of America	503.454.4447	kathi.baker@bankofamerica.com
Peri Henderson	Directors Mortgage	503.317.9825	peri@directorsmortgage.net
Ralph Austin	HomeStreet Bank	503.219.0784	Ralph.Austin@HomeStreet.com
Deona Delong	HomeStreet Bank	503.227.3956	Deona.Delong@Homestreet.com
Brent Palmer	HomeStreet Bank	503.680.5821	brent.palmer@homestreet.com
Chris Holden	HomeStreet Bank	503.652.5011	chris.holden@homestreet.com
Jennifer Larsen	HomeStreet Bank	503.227.3956	jennifer.larsen@HomeStreet.com
John Remboldt	HomeStreet Bank	503.652.4313	John.Remboldt@HomeStreet.com
Kara Berglund	HomeStreet Bank	971.404.5530	kara.berglund@homestreet.com
Kendra Coverdale	Hyperion Mortgage	503.803.9546	coverdaleloans@comcast.net
Geoff Boyd	PrimeLending	503.786.7092	gboyd@primelending.com
John Martinez	Bank of America	971.506.8053	john.m.martinez@bankofamerica.com
ChiEn Montero	Wells Fargo*	503.760.4659	chien.montero@wellsfargo.com
Valerie Harjo	Wells Fargo*	503.550.2662	Valerie.Harjo@wellsfargo.com

*Conventional Products Only

Portland Housing Bureau

Down Payment Assistance Loan

About the DPAL

The Down Payment Assistance Loan (DPAL) is designed with very favorable terms to help first-time homebuyers purchase a home in Portland’s Interstate Corridor or Lents Town Center Urban Renewal Areas. DPAL is a second mortgage loan funded by the Portland Housing Bureau (PHB), and used in conjunction with a first mortgage loan from a participating lender.

PHB is partnering with the Minority Homeownership Assistance Collaborative (MHAC) to identify and select eligible households for the program. Any of the MHAC partners can help you meet the qualification requirements described in the next section.

MHAC is a partnership comprised of the

- African American Alliance for Homeownership,
- Hacienda Community Development Corporation,
- Native American Youth and Family Center, and
- Portland Community Reinvestment Initiatives, Inc.



How do I become eligible?

To qualify you must:

- Be a first-time homebuyer (defined as not having owned a home in the past three years);
- Work with, and be selected by, one of the MHAC partners;
- Use the home as your primary residence;
- Have an annual household income at or below 80% of Portland’s Median Family Income (MFI) at the time of purchase; adjusted for family size as follows:

Household Size	80% MFI (2011) *
1	\$40,350
2	\$46,100
3	\$51,850
4	\$57,600

* Higher household income limits apply for households of five or more persons.

- Qualify for a first mortgage loan;
- Have combined liquid assets (cash and equivalent, stocks, bonds and bank account balances, excluding retirement accounts) of no more than \$10,000 at closing;
- Be a US citizen or legal resident;
- Complete a homebuyer education workshop provided by a US Department of Housing and Urban Development (HUD) Certified Housing Counseling Agency.
- Provide no less than \$1,000 of your own money. (This includes funds that are gifted to you by others.)

Once you purchase your home, there are no ongoing income limits or annual income certifications for the program.

Eligible Properties

- Residential properties located in the Interstate Corridor or the Lents Town Center Urban Renewal Areas (URA) subject to available funding; for maps of these areas visit www.portlandonline.com/phb/dpal.
- Single-family units only, including existing condos and town homes; new condos are not eligible.
- Short sales are not eligible.

DPAL Terms

- Maximum loan amount: \$32,000 plus an additional grant of 25% for a Home Improvement Grant (\$8,000 max.)
- 15-year loan term.
- 0.00% interest per year with an Annual Percentage Rate (APR) of 0.012%.
- At the end of the 11th year, 20% is forgiven, with another 20% forgiven annually until the loan is completely forgiven after the 15th year.
- Payments are deferred until you sell the home, refinance the first mortgage, or when you no longer occupy the home as your primary residence; at such time, the entire principal is due.
- Must be used with a first mortgage loan from a participating lender.
- \$500 Underwriting Fee plus other third party closing costs apply.

Home Improvement Grant Fund

- An additional 25% of the loan amount will be granted to the homebuyer and will be deposited into a Home Improvement Grant Fund managed by PHB.
- Grant funds must be spent on eligible improvements within six months of loan closing.
- Once the home improvement grant fund has been disbursed and closed there are no more property inspections required for the program.

Process

- After MHAC selects you, the homebuyer, for the program, your first mortgage lender prepares and submits a DPAL application and supporting documents to PHB.
- PHB reviews application and supporting documents within five business days of receiving a complete application packet.
- If necessary, PHB obtains any additional documentation from the lender.
- PHB issues a conditional reservation of DPAL funds (or denies the DPAL application and the process ends).
- As soon as you have an accepted offer to purchase an eligible property, your first mortgage lender must provide PHB a signed copy of the accepted offer. This must be a minimum of 30 days prior to closing.
- The first mortgage lender provides PHB with a copy of the appraisal and complete credit package to review and approve.
- At least seven business days prior to closing, and after all of the DPAL and first mortgage lender's conditions have been met, the first mortgage lender notifies PHB of the closing date.
- PHB prepares and delivers DPAL documents to the applicable title and escrow company.
- At loan closing, the homebuyer signs all necessary DPAL documents.
- PHB funds the DPAL and the DPAL Deed of Trust is recorded with the County.
- As soon after loan closing as possible, the homebuyer begins working with a PHB Construction Coordinator to identify eligible improvements and must expend the full amount of their Home Improvement Grant Fund within six months of loan closing.

www.portlandonline.com/phb/dpal

503-823-3400





