



Homeownership Center Northwest Program Guidelines

Pre Purchase

- 1st Time Buyer (not owned a home in the last 3 years)
- Income below that required by the funding being used for the transaction (either 80%AMI or 120% AMI)
- All judgments/collections paid in full
- No Bankruptcies in the past 2 years
- Sufficient income to qualify for a 1st mortgage loan that is large enough to get within \$40-60,000 of Sale Price using lenders and City of Tacoma's, Pierce County affordable housing underwriting requirements – HCNW/HCT will make up the remaining mortgage shortfall with a no-interest, no monthly payment second mortgage which is not due for 30 years.
- Must attend the Washington State Housing Finance Commissions approved 5 hour homebuyers class

Purchase

- Buyer pays One Thousand Dollars down payment
- Buyer pays 1st years homeowners insurance (usually about \$350)
- Remaining closing costs after the down payment and payment of first year's homeowners insurance is paid for by a third mortgage which is forgiven at the rate of 20% per year.

Post Purchase

- Must live in home as principal residence – no renting allowed
- Refinance of 1st mortgage allowed only to reduce term and/or rate – no cash out allowed without paying off any outstanding second and/or third mortgages.