

# Purchase Rehab Resale

Three Rivers Housing Development

Three Rivers Housing PRR Program Overview

## The Program

- ▶ Three Rivers has sponsored the Purchase/Rehab/Resale Program since 1997. We commonly refer to this assistance program as PRR.
- ▶ When have assisted over 50 family achieve home ownership through this program with approximately 1.9 million dollars in HOME funds.
- ▶ In 2016 we were awarded our first NAHTF grant for PRR for \$346,500 and we will begin that program this spring.
- ▶ This is a developer sponsored program where we work with eligible applicants at or below 80% or 100% AMI (Average Median Income) to purchase their first home.
- ▶ Participation in the PRR Program provides the repair portion of the assistance to insure the home will be able to meet basic Housing Quality Standards. The PRR Program also provides down payment and closing cost assistance which helps to make home ownership more affordable.
- ▶ The combination of down payment assistance along with the home repair piece of the program creates a highly successful program.

## An Overview of the PRR Process

- Mortgage loan approval from lender of choice required
  - (Loan Commitment Letter)
- Complete an interview and application with Three Rivers to qualify for the P/R/R Program
- Complete REACH approved Homebuyer Education
- Homebuyer finds a home
- Homebuyer contacts Three Rivers to make an inspection
- Three Rivers obtains inspections and bids from area contractors

## An Overview of the Process continued

- List of rehabilitation needs and costs are reviewed with homebuyer
- Three Rivers Board approves client for program
- An agreement to purchase the house is made by the client and Three Rivers as seller
- House must appraise at purchase cost plus rehabilitation costs
- Three Rivers purchases property and arranges rehabilitation work

## Overview of Process Continued--

- Rehabilitation work is initiated
- \$500 earnest money is provided by homebuyer and closing date designated
- Rehabilitation work is completed and inspected
- Home is sold by Three Rivers to first time homebuyer

## Required Documentation

Mortgage loan commitment letter

Copies of last two (2) years tax returns for all applicants/family members

Three (3) most current consecutive months bank statements for each applicant/family member

Verification of Employment for each family member in household

## 2016 Annual Income Limits at 100% AMI - EXAMPLE

Household Size	Burt County	Washington Cty	Cuming County	Dodge County
1	\$44,900	\$50,500	\$42,400	\$42,400
2	\$51,300	\$57,700	\$48,400	\$48,400
3	\$57,700	\$64,900	\$54,500	\$54,500
4	\$64,100	\$72,100	\$60,500	\$60,500
5	\$69,300	\$77,900	\$65,400	\$65,400
6	\$74,400	\$83,700	\$70,200	\$70,20

Three Rivers Housing Development Corporation  
448 S. 13<sup>th</sup> Street  
Tekamah, NE 68061

Pamela Thomsen  
Executive Director

402-374-2056  
[threerivershdc@qwestoffice.net](mailto:threerivershdc@qwestoffice.net)

Website : [www.threerivershousing.net](http://www.threerivershousing.net)



Our PRR Program provides up to \$15,000 in repairs and \$10,000 in lead hazard reduction costs.

The down payment/ closing cost assistance is determined by a amount not to exceed a total of \$25,000 or 20% of the purchase price. The assistance amount is supported by an appraisal and level of repairs of the home.

The mortgage loan payments are not to exceed 30% of the homebuyers income or an amount determined by the mortgage lender.

The down payment/closing cost assistance offered is a 0% interest loan that does not require a monthly payment while the homebuyer occupies the home. If the home is no longer the primary residence of the participant the assistance become due. The down payment loan/grant is forgiven at the end of 10 years and forgives 10% each year of occupancy. Early sale of the home requires the prorated repayment. The assistance is secured with a soft second mortgage

The rehabilitation costs are added to the cost of the home after the repairs have been made. The down payment closing cost assistance offsets the cost of the repairs in most cases.

Rolling the cost of the home repairs into the selling cost allows the buyer to get the necessary repairs, increase the safety, energy efficiency and gain value/equity in the home as required. The buyer now is purchasing an improved property with a soft second mortgage that will forgive at the end of ten years but is prorated each year of occupancy.

This model of the PRR program insures reinvestment of the funds for future projects rather than carrying the repairs in a note with a third position mortgage. The funds are available for reuse with future applicants.

Three Rivers Housing Development Corporation  
448 S. 13<sup>th</sup> Street  
Tekamah, NE 68061

Pamela Thomsen  
Executive Director

402-374-2056  
[threerivershdc@qwestoffice.net](mailto:threerivershdc@qwestoffice.net)

Website : [www.threerivershousing.net](http://www.threerivershousing.net)