Gift of Home Ownership through Partnership

March 19th, 2019
Hosted by US Bank Home Mortgage - Autumn Dillon
American Dream – The Basics

• Fixed-rate, fully amortizing, level payment loan that allows financing for purchase or refinance.

• Portfolio product to provide homeownership opportunities to low and moderate income borrowers throughout our diverse markets.
American Dream – The Basics

- Conventional
- 100% AMI
- 6% of sales price in seller concessions
- $1000 minimum investment
- No credit or 620 FICO minimum
- 3% down payment
American Dream – The Benefits

• No PMI
• Comparable Market Rate
• Up to 105% TLTV-
• Usable with other DPAs
• Usable with Section 8 subsidy
• Client focused product
American Dream – Requirements

• Home Inspection
  – Older than 10 years
  – Electrical system
  – Plumbing system
  – Heating system
  – Roof
  – Structure, and
  – Weathertight exterior
American Dream – Down Payment Assistance

- Up to $5500 in assistance
- 0% interest, silent second-due upon sale, change in occupancy, or refinance

1. Entry Level Costs- Down payment, closing costs, prepaids, etc.
2. Repair Escrow- Items required by USB.
American Dream – Repair Escrow

- Final Inspection Fee of $100
- Repair amount held at 1x the required repairs
- Repairs must be complete within 30 days of closing
- Repair hold back determined by the higher of 2 contractor bids.
- Prior to closing: Furnace, Hot Water, Plumbing, Exposed Wires, Foundation cracks.
Client Examples- DPA

Sample Funds to Close

- Assumes Douglas and Sarpy Counties
- Purchase Price $135,000
- Down Payment $4050
- Closing Costs $2400
- Escrows and pre-paids $3300
- Total $9750

Sources for Funds to Close
- Assistance DPA $3000
- Seller Paid costs $4050
- Investment from buyer $2700

Sources for Funds to Close
- Assistance DPA $3000
- American Dream DPA- $5500
- Investment from buyer $1250
Client Examples- Grant

Sample Funds to Close

- Assumes Douglas and Sarpy Counties
- Purchase Price $135,000
- Down payment $4050
- Closing Costs $2400
- Escrows and pre-paids $3300
- Total $9750

Sources for Funds to Close
- First Down Assistance Net $3000
- Seller Paid costs $4050
- Investment from buyer $2700

Sources for Funds to Close
- Approved Grant Program: $20,000
- Seller Paid costs $0
- Investment from buyer $1000
American Dream – Rehab

• Available if the repairs exceed $5,500
• Rehab Advisor- Completes a scope of work and determines contingency (up to 10%)
• 2 contractor bids for work (no sweat equity)
• Home value = acquisition cost + scope of work
American Dream – Rehab

At Application
• Rehab Inspection Fee (determined by Advisor)

At Closing
• Rehab Advisor Fee (SoW)
• $100 Disbursement Fee
• Final Inspection/Appraisal Fee ($75-$100 in NE)
• Title Update Fee
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Thank you!