

City of Cincinnati Department of Community and Economic Development

Dear Prospective Home Buyer:

Thank you for your interest in the City of Cincinnati American Dream Down Payment Initiative (ADDI). The enclosed application packet details important information about the program. To be sure you will qualify, please review all information in this packet before completing the application. Program participation is limited to households where adjusted gross income is 80% or less than the median for our area. Consult the enclosed application for a listing of these income limits in addition to other Program requirements and guidelines. If you determine that you may be eligible, complete the application and return it to the appropriate address. This packet and a complete guide and procedure manual are available on the web at www.choosecincy.com.

Applications will be evaluated on a first come first served basis with a limited number of qualified applicants being granted a "Conditions of Approval" letter. Those receiving this letter will then have 90 days to present a fully executed purchase contract for a qualifying residence in order to receive down payment assistance. Please note that a purchase contract executed prior to receipt of a Conditions of Approval letter will not be eligible for ADDI funds. **Please also note that only applicants that have been pre-approved for a mortgage are eligible to apply for ADDI funds. Evidence of pre-approval must accompany the ADDI application.** Additional information may be requested of you or a third party at any time to determine or confirm your eligibility for participation in the ADDI program. Failure to comply with that request will result in a rejection or termination of your eligibility to participate. Allow 10-15 business days for processing.

We appreciate your interest in the ADDI program and look forward to receiving your application.

Sincerely,



Roy J. Hackworth
Housing Division Manager

Enclosure(s)

THE CITY OF CINCINNATI AMERICAN DREAM DOWNPAYMENT INITIATIVE

PROGRAM DESCRIPTION

The Department of Community and Economic Development (DCED) coordinates the City of Cincinnati’s American Dream Downpayment Initiative (ADDI) Program. The ADDI Program is designed to assist first-time qualified homebuyers with the purchase of a home. ADDI funds are to be used to primarily for down payment assistance but can also be used to pay for select closing costs.

QUALIFICATIONS

In order to apply, applicants must have a pre-qualification for a mortgage loan and must also be First Time Homebuyers. For this program, a First Time Homebuyer is one who meets one of the three criteria below:

1. An individual and his/her spouse who have not owned a home during the three-year period prior to the purchase of the home assisted under the ADDI Program.
2. A single parent, defined as an individual who is unmarried or legally separated from a spouse who is pregnant, has custody of one or more minor children, or who shares joint custody.
3. A displaced homemaker, defined as an individual who is an adult (aged eighteen years or older), has not worked full-time for a full-year in the labor force over a number of years, but has during such years, worked primarily without remuneration (wages) to care for the home and family; and, is unemployed or under-employed and experiencing difficulty in obtaining or upgrading employment.

Applicants must be 80% of Area Median Income (AMI) or Less (see table below):

Household Size:	1	2	3	4	5	6	7	8
80% AMI:	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850
65% AMI:	\$43,500	\$49,600	\$55,900	\$62,100	\$67,100	\$72,000	\$77,000	\$82,000
50% AMI:	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050

(Effective as of June 15, 2022)

A home purchase price may not exceed \$195,000 for existing homes and \$251,000 for new construction (effective June 1, 2022)

All figures above may be subject to change as published by HUD.

Applicants must complete a Certification Program for Home Buyers with a HUD-certified agency or one of the HUD-certified agencies listed below:

The Home Ownership Center 2820 Vernon Place Cincinnati, Ohio 45219 (513) 961-2800	Working in Neighborhoods 1814 Dreman Street Cincinnati, Ohio 45223 (513) 541-4109
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Applicants up to 80% of the AMI will be eligible to receive homebuyer assistance for the purchase of an eligible house. Applicants are eligible to receive up to a maximum of \$5,000 for down payment assistance in the form of a forgivable loan. See the table on the following page for funding amounts.

Household Income	Maximum Amount of Assistance
66% - 80% AMI	\$10,000
51% - 65% AMI	\$12,000
50% or below of AMI	\$14,000

A forgivable loan is one where payments are deferred over a period. ADDI loans are deferred over a five-year period with 20% forgiven (not requiring repayment) each year residency is verified. Should the property be sold or transferred before the end of the defined affordability/residency period, all or a portion of the funds awarded towards the purchase of the home must be paid back to the City. All ADDI loans are enforced by a subordinate mortgage and promissory note. It is expected that the City’s mortgage filing fee will be paid from ADDI funds that are awarded.

The applicants must provide all the necessary documentation for the City to completely review and process the ADDI application. The City assumes no responsibility related to the failure of any applicant to respond to documentation requests in a timely manner. It is the applicant’s responsibility to see that all the required documentation is submitted to the City; it is not the City’s responsibility to secure documentation for the applicant. However, the City reserves the right to obtain third party verification of employment income, child support, and any other income source or asset the City deems necessary to determine an applicant’s overall eligibility for the ADDI Program. Funding is limited and is provided on a first come, first serve basis. The City reserves the right to terminate an applicant’s pre-approval at any time if funding is no longer available. ***Faxed or emailed applications will not be accepted*** Allow 10-15 business days for processing.

ADDI PROGRAM GUIDELINES & REQUIREMENTS

Eligible Property & Timelines:

It is required that the applicant(s) apply for ADDI assistance so that eligibility for funds can be determined before a contract is written on an eligible home. An eligible home is defined as a single-family residence, condominium unit, cooperative unit or combination of manufactured housing and lot in the City of Cincinnati limits. See page 11 for eligible neighborhoods. Multi-family dwellings, defined as more than a single unit. are not eligible. After the City has verified the eligibility of an applicant for ADDI funds and a fully executed contract to purchase has been submitted to the City, the City will provide the buyer(s) and/or their agent with information needed to schedule a housing code inspection of the property. This inspection paid for by the City and is meant to ensure that the property meets the local housing code and is does not constitute a whole home inspection that a homebuyer would typically get. The applicant(s) will not be eligible for funding if the home does not pass the local housing code inspection. All program funds will be held until the identified deficiencies are remedied. There is typically a 30–45-day time frame to close on a home provided that the applicant’s eligibility has been determined, the City receives a fully executed contract to purchase, and all ADDI program requirements are met.

Private Financing & Closing:

Applicants for the ADDI program may obtain a loan from the lending institution of their choice. The loan must meet the following underwriting criteria as underwritten by the first mortgage lender: No more than 31% of the borrower(s) income can be devoted to housing payment (principal, interest, taxes and insurance) and no more than 43% of income for total household debt (housing payment, car payment, credit cards, etc...). Loans may be Conventional, FHA, or VA, but must have a fixed rate and a reasonable term. Money should also be escrowed for property taxes and insurance. Adjustable-Rate Mortgages (ARMs) are prohibited. Copies of the following loan documents must be submitted for review prior to closing: Loan Application, TRID Loan Estimate as amended or revised, underwriting summary, appraisal, legal description, and TRID Closing Disclosure, as amended or revised. In addition, the TRID Closing Disclosure must be made available for the City to review at least 24 hours prior to closing. Buyers are not permitted to receive cash back at closing. A City representative will bring all City closing documents and the assistance check to the closing. Completed applications should be submitted to:

ADDI Program
 Department of Community and Economic Development
 805 Central Avenue, Suite 700, Cincinnati, Ohio 45202
 P: (513) 352-6146

Savings & Investments-List requested information for checking, savings, certificates of deposit, mutual funds, stocks, etc. for adult members of household. If additional space is required, attach separate sheet. Do not list retirement accounts such as IRA's, 401K, etc.

Acct. in Name Of:	Name, Address & Phone # of Financial Institution	Type of Instrument (checking, savings, C.D., stock, etc.)	Account #	Balance/Value

I verify that all information provided on this application and its corresponding attachments are complete, true and correct. I understand that if information has been deemed fraudulent by the City of Cincinnati, I will be liable for repayment of City funds under Federal Regulation 24 CFR Part 28.

Applicant Signature _____

Date _____

Spouse/Co-Applicant Signature _____

Date _____

ANNUAL INCOME	Person 1	Person 2	Person 3	Person 4	Subtotal
1. Wages, Salaries, Tips, etc.					
2. Business Income					
3. Interest & Dividend Income					
4. Retirement, Insurance, Social Security Income					
5. Unemployment & Disability Income					
6. Welfare Assistance					
7. Alimony, Child Support, & Gift Income					
8. Armed Forces Income					
9. Other Income					
Total					

Instructions for Completing Income Worksheet

The income worksheet above must be completed for all adult members (18 or Older) of the household who have the types of income listed. Space has been provided on the form for up to 4 family members. If additional space is required, please photocopy the form. All entries should reflect annual amounts. For example, if your present salary is \$2,000 per month, line 1 would be \$24,000 (\$2,000 x 12). If a household member's income fluctuates; an average weekly, bi-weekly, or monthly income will be calculated by DCED for the purpose of determining that household member's anticipated gross income over the next 12 months.

Line 1 Income should include the full amount, before payroll deductions, of wages and salaries, overtime pay, and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Three months of pay stubs are required for each household member listed. If you anticipate a raise within the next 12 months, please include that in calculating your income. For example, if your present wage is \$10 per hour and in 6 months you anticipate a .50 increase, calculate it as follows: \$10 x 40(hours) = \$400 x 26 (weeks) = \$10,400; \$10.50 per hour x 40(hours) = \$420 x 26(weeks) = \$10,920; \$10,400 + \$10,920 = \$21,320 in Annual Income.

Line 2 Income should include net income from the operation of a business or profession.

Line 3 Income should include interest, dividends, and other net income of any kind from real or personal property. If the total cash value of all assets is \$5,000 or more, the annual income generated from the asset must be calculated. For example, if one has a 6-month average checking balance of \$6,000 in an interest-bearing account using the current Passbook Rate of .02, the income generated from the checking account would be \$120 or (\$6,000x.02 = \$120).

Line 4 Income should include the full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other types of periodic receipts.

Line 5 Income should include payments in lieu of earnings, such as unemployment and disability compensation, workers comp and severance pay.

Line 6 Income should include payments from welfare assistance.

Line 7 Income should include periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.

Line 8 Income should include all regular pay, special day and allowances of a member of the Armed Forces.

You must provide supporting documentation for each entry on the income worksheet that applies to your household. Refer to the ADDI checklist in the application packet for a list of supporting documentation required.

Failure to supply adequate documentation will result in the return of your application. **If ADDI a closing not occur within six months of eligibility date, the application will have to be updated to determine continued eligibility.**

Affidavit of No Income

**To be completed by each adult household member claiming no income
(additional copies may be made for other household members if needed)**

I, _____, do hereby certify that I am currently receiving no income from any source.

PLEASE ANSWER THE FOLLOWING QUESTIONS:

	Monthly Cost	Source of Payment
Do you own an automobile? Yes No	If Yes:	
Cost of insurance per month?	\$ _____	_____
Cost gasoline per month?	\$ _____	_____
Cost of maintenance per month?	\$ _____	_____
Do you smoke? Yes No	If Yes:	
Cost of cigarettes per month	\$ _____	_____
Do you have Cable/Sat. TV? Yes No	If Yes:	
	\$ _____	_____
Do you have a telephone? Yes No	If Yes:	
	\$ _____	_____
Cost of supplies not covered by food stamps: Paper products, cleaning supplies, etc. per month?	\$ _____	_____
Cost of utilities per month?	\$ _____	_____
Cost of clothing per month?	\$ _____	_____
Cost of medical expenses per month	\$ _____	_____
Total Monthly Expenses	\$ _____	_____

I certify that this statement is true to the best of my knowledge and belief. I understand that false statements or information are punished under Federal law.

Applicant/Household Member

Date

HOME Program Eligibility Release Form

City of Cincinnati Comm. & Econ. Development
805 Central Ave, Suite 700, Cincinnati, Ohio 45202
Ph: 513-352-6146

Information Covered: Inquiries may be made about items initialed by applicant/tenant.

Purpose: Your signature on this HOME Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

American Dream Downpayment Initiative (ADDI)

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign this HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

	Verification Required	Initials
Income (all sources)	X	
Assets (all sources)	X	

Authorization: I authorize the above-named HOME Participating Jurisdiction and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and members claiming income and/or assets must initial where indicated above.

Head of Household—Signature, Printed Name, and Date:
Family Member #1

X

Other Adult Member of the Household—Signature, Printed Name, and Date:
Family Member #2

X

Other Adult Member of the Household—Signature, Printed Name, and Date:
Family Member #3

X

Other Adult Member of the Household—Signature, Printed Name, and Date:
Family Member #4

X

City of Cincinnati Department of Community and Economic Development

American Dream Downpayment Initiative Residence Certification Form

Please list below all addresses where you have lived in the past three years:

Address #1: _____

Dates at this residence: From: _____ To: _____

Address #2: _____

Dates at this residence: From: _____ To: _____

Address #3: _____

Dates at this residence: From: _____ To: _____

Address #4: _____

Dates at this residence: From: _____ To: _____

I am claiming the status as a displaced homemaker (circle): Yes No

My signature below is certification that I have not been a homeowner in the last three years (unless claiming displaced homemaker status). I, my spouse or any co-applicant for this loan has not owned any of the residences listed above. I verify that all information provided is true and correct. I understand that if information has been deemed fraudulent by the City of Cincinnati, I will be liable for repayment of City funds under Federal Regulation 24 CFR Part 28.

Applicant Signature: _____ Date: _____

Spouse/Co-applicant Signature: _____ Date: _____

Child Support Certification

All adult household members with children or without children must complete this form. Complete and sign the section that applies AND attach the appropriate documentation; if you do not have any children skip to Section III.

SECTION I

I hereby certify that I currently receive child support and have attached a copy of my payment history report and/or other supporting documentation. **I also certify that I currently receive \$_____ per _____ for child support.**

Signature of Applicant

Date

SECTION II

I hereby certify that I have a court order to receive child support, but do not currently receive any payments and such payments are in arrears. I have attached a copy of the court order, payment history report and/ or other supporting documentation.

Signature of Applicant

Date

SECTION III

I hereby certify that I that I **do not** have any court order to receive child support payments nor do I receive such payments of any kind.

Signature of Applicant

Date

I hereby certify that the information provided is accurate and complete to the best of my knowledge. Also, in executing this form, you grant the City of Cincinnati permission to verify any of the information disclosed above or attached with a third party so that your eligibility to receive federal funding assistance can be determined. If this certification is not signed below, this form will not be accepted and application for funding will be rejected. **I understand that if information has been deemed fraudulent by the City of Cincinnati, I will be liable for repayment of City funds under Federal Regulation 24 CFR Part 28.**

Signature

Date

Print Name

ADDI Application Checklist

(Documents needed to complete the ADDI application)



Application

- Complete and signed by applicant and co-applicant (if applicable)
- Documentation of pre-qualification for a mortgage loan

Income Determination Worksheet

Wage Statements/Pay Stubs (3 previous months/3-month equivalent)

- Three-month equivalent (i.e., 6 pay stubs for bi-weekly pay cycles, and 12 pay stubs for weekly pay cycles)
- Required for every employed household member 18 years of age or older
- ***If self-employed – must submit two previous years of tax returns***

Affidavit of No Income (if applicable)

- Required of all household members 18 or older claiming no income
- You may be required to make copies for additional household members

Bank Statements

- The past six months of all checking accounts
- Most recent month (one only) of all savings accounts

Eligibility Release Form

- Requires initials by “X” of all household members 18 years of age and older that are employed, receive benefits and/or have bank account
- Requires signatures of all household members 18 years and older

Social Security/Child Support/Workers Comp. (if applicable)

- Award letters from the Social Security office for each person benefiting
- Child Support Certification form with attached documentation, if applicable
- Documentation exhibiting any other unearned income aside from wage statements, Social Security and Child Support

Legal Separation document or Divorce Decree (if applicable)

We reserve the right to request further documentation or obtain third party verification if we deem it necessary to determine eligibility.

Eligible Cincinnati Neighborhoods

Avondale	Mt. Adams
Bond Hill	Mt. Airy
California	Mt. Auburn
Carthage	Mt. Lookout
Camp Washington	Mt. Washington
Carthage	North Avondale
Clifton	North Fairmount
College Hill	Northside
Columbia Tusculum	Oakley
Corryville	Over-The-Rhine
Covedale	Paddock Hills
Downtown	Pendleton
East End	Pleasant Ridge
East Price Hill	Price Hill
East Walnut Hills	Riverside
East Westwood	Clifton Heights
English Woods	Roselawn
Evanston	Sayler Park
Fairview	Sedamsville
Hartwell	South Cumminsville
Hyde Park	South Fairmount
Kennedy Heights	Spring Grove Village
Linwood	University Heights
Lower Price Hill	Walnut Hills
Madisonville	West End
Millvale	West Price Hill
	Westwood
	Winton Hills

American Dream Downpayment Initiative (ADDI) FAQ Sheet

What is the ADDI program and what does it do? It is a down payment assistance program that provides funding in amounts of \$10,000, \$12,000, or \$14,000 based on the applicant's household income to be used for down payment toward the purchase of a home in the City of Cincinnati.

How do I get started? You can obtain an ADDI application packet and brochure online at choosecincy.com or by contacting the Department of Community & Economic Development at (513) 352-6146. Incomplete applications will be returned.

Who is the ADDI program for? The ADDI program is for first time homebuyers that have been pre-approved for a mortgage loan and that have low to moderate household income. Please refer to ADDI application or program guide for income limits. All household income must be documented. Evidence of a mortgage approval must be submitted with the ADDI application. Please refer to the application packet or program guide for other required documentation.

I have a job where I do not receive pay stubs. Will I still have a chance to participate? If you do not receive pay stubs through your line of work. We may request tax returns to support what the income is stated to be. Ultimately, with the information received, if we are unable to adequately determine or verify income, the assumption will be made that you are over-income and approval will be denied based on a lack substantial information.

Do I have to pay ADDI funds back? ADDI funds are forgivable loans that are to be paid back **only** (in whole or in part) if the property is sold or transferred before the 5th anniversary of the closing date. Homebuyers awarded ADDI funds must maintain the property as their primary residence for five years to avoid any repayment.

How are the funds forgiven? ADDI funds are forgiven at a rate of 20% annually over a five-year period considering that the homeowner maintains the property as his/her primary residence for the term of the loan.

Can I use this program to purchase a home outside of the City of Cincinnati? No. The City's ADDI program only supports homeownership within the city limits. If there is a question about the eligibility of a particular address, please contact the Department of Community and Economic Development for verification.

Does ADDI work with acquisition/rehab loans? Acquisition/rehab loans are not suggested because ADDI funds will only be awarded for a house that passes a City housing code inspection.

Do I have to pay for the City inspection? No, however, it is the homebuyer's responsibility to obtain any other inspection services associated with buying the home (i.e., whole home; termite, etc...). The City's inspection is not meant to substitute a whole house inspection and the City will not be held liable for appliances that choose not have the home inspected by private certified professionals.

I want to refinance my house bought with ADDI funds; will the City of Cincinnati subordinate its loan? Yes, but the City will only subordinate its loan in favor of a better rate or term for the homeowner. The City will not subordinate to consolidate debt or to "cash out". ADDI subordination guidelines are listed in the Program manual.

Am I allowed to receive cash back at closing?

No. ADDI participants are not allowed to receive cash back at closing. Any potential cash back can be used for a principal reduction or other closing costs. If this cannot be accomplished, the refund amount will have to be deducted from the ADDI funds.

How long does the process take to receive funding? Contingent on meeting all ADDI requirements, it can take anywhere from 30-45 days to have a check released after the City receives a copy of the fully executed purchase contract. Please take this into consideration when setting a closing date.

I already have a purchase contract on a house and a friend just told me about the ADDI program; can I still apply? No. If you are seeking down payment assistance you must apply and be approved for participation in the ADDI program prior to signing a contract to purchase.

How long is the ADDI approval letter valid? An applicant has 90 days to present to the City a fully executed contract to purchase before the approval letter expires. One 45-day extension can be requested in writing if this deadline cannot be met. If a purchase contract is received, but a closing is not held within **6 months** of the date of the initial ADDI approval letter, the applicant will be required to reapply so the City can verify continued eligibility.

Do I have to participate in homebuyer counseling? Yes. It is required that you complete HUD-certified homebuyer counseling in order to receive funding. Certificates older than 18 months will not be honored. Refer to the program manual for a list of acceptable agencies offering counseling.

Do you provide a list of lenders or realtors? It is left to the discretion of the applicant to choose a lender and realtor that is suitable and willing to work with them and within the ADDI guidelines.

Does the ADDI Program work with FHA and conventional loans? Yes, but with any loan, we reserve the right to deny or terminate eligibility if the loan is suspected to be subprime or does not meet our debt-to-income requirements (31%/43%). Adjustable-Rate Mortgages (ARMs) are not permitted.

Can ADDI be used with other assistance programs? Yes, however all ADDI requirements will still have to be met and you must notify the City of the program in question and the City will determine whether ADDI can be used in conjunction.

I am separated; do I still have to include my separated spouse on the ADDI application? Yes, separated couples will be treated as married couples unless there is a legal separation agreement. The City reserves the right to review legal documentation in making a final determination.

Are non-occupying co-borrowers/co-signers permitted if I cannot obtain financing by myself? The ADDI applicant(s) must be able to afford the mortgage on their income only. Non-occupying co-borrowers are permitted only if the lender is using the co-borrower as added security. This can be in the case of insufficient credit and/or short or sporadic work history. Applicants whose monthly income cannot support a monthly mortgage cannot utilize a non-occupying co-borrower for the sake of securing financing in order to receive ADDI funds. Non-occupying co-borrowers are not permitted to be on the deed at purchase.