

# CDC/ACA Home Buyer Eligibility Criteria

**Key:**

ACA – Asset Control Area  
CDC – Community Development Corporation of Utah  
DPA – Down Payment Assistance  
HUD – Housing & Urban Development

Community Development Corporation of Utah  
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## CDC/ACA CRITERIA

- ❖ Financial elements of a CDC/ACA home purchase:
  - **Sales Price** based Fair Market Value of the property. The sales price may be adjusted if the appraised value is materially different than the listing price.
  - **Homebuyer Enforcement Note** is a non-interest bearing note with a 1-3\* year term that is secured in second position\*\* behind the buyers 1<sup>st</sup> mortgage. The amount of this note is the difference between the Sales Price and the Adjusted Price, which is an estimated amount and not final until the week before closing.
  - **Adjusted Price** is the amount due to the Community Development Corp based on its contract with the Department of Housing and Urban Development (HUD). This amount is an estimate and not final until the week before closing.
- ❖ Buyer must qualify and obtain a mortgage for the Adjusted Price less any Down Payment Assistance and cash paid by the buyer.
- ❖ The CDC/ACA home must be the buyer's primary residence and the only residential real property owned during the term of the Homeowner Enforcement Note \*\*. If there is no Homeowner Enforcement Note the home will be the primary & sole residential property of the buyer's household at the time of closing.
- ❖ Eligible buyer must meet one of the following requirements:
  - Sworn law-enforcement officer (See Employer's Certification of Employment - Officer).
  - Certified Teacher (See Employer's Certification of Employment - Teacher).
  - Firefighter or Certified Emergency Medical Technician (EMT) (See Employer's Certification of Employment - Firefighter / EMT).
  - Income eligible with maximum household income of <=115% of median income (see chart below).
- ❖ Participant application process includes:
  - Complete CDC Home Buyer Application.
  - Proof of legal residency, i.e. Birth Certificate, INS Card, or Passport.
  - Copy of your households most recent, signed, Federal tax returns.
  - Copy of most recent household pay stubs
  - Copy of current household bank statements
  - Completed Teachers / Officers / Firefighters / EMTs: Employer's Certification of Employment Form, if applicable
  - Certificate of Completion of a HUD approved Home Buyer Education class.
  - One-on-one, pre-purchase counseling with CDC counselor.
  - Lender's "Good Faith Estimate".
  - Copy of lender's loan application, form 1003, signed by buyer.
  - Copy of current household Credit Reports
  - Mortgage pre-approval letter.
  - Lender verification of income & loan information form (see CDC/ACA packet)
- ❖ Loans not eligible for ACA program: Interest Only.

\* Term of the Homebuyer Enforcement note is one year for Officers and Teachers and three years for other eligible buyers.

\*\* Because the Homebuyer Enforcement note must be in second position, review your loan with your loan officer to see if the loan you have chosen will allow for this.

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## DOWN PAYMENT ASSISTANCE CRITERIA

- ❖ If buyer plans to apply for Down Payment Assistance Programs the maximum household income be at or below 80% of median income by household size (see chart below).

INCOME GUIDELINES FOR ACA HOME PURCHASE		
Household Size	<u>Maximum</u> Income 115% of Median Income To Purchase <i>(Officers, Teachers, Firefighters, &amp; EMT No Maximum Income)</i>	<u>Maximum</u> Income 80% of Median Income For DPA Programs
1 Person	\$52,612	\$36,600
2 Persons	\$60,087	\$41,800
3 Persons	\$67,635	\$47,050
4 Persons	\$75,109	\$52,250
5 Persons	\$81,146	\$56,450
6 Persons	\$87,112	\$60,600
7 Persons	\$93,150	\$64,800
8 Persons	\$99,115	\$68,950

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