

Lowell Development & Financial Corporation (LDFC) Down Payment Assistance Program

The LDFC provides a **no-interest loan for 2.5% of the purchase price based on a 5% down payment.** It provides a loan for **1.5% of the purchase price based on a 3% down payment.** The maximum amount of assistance is \$5,000.

Eligibility Requirements **Buyers must be first time homebuyers**
Property must be in Lowell
Buyers must complete a homebuyer training program
Property must be a condominium, single or two-family house

Maximum Household Income **Family Household Income limit - \$145,530**

Required Documents

1. Underwriter's Worksheet	6. Purchase & Sale Agreement
2. Loan Application	7. Property Appraisal
3. Loan Estimate	8. Commitment Letter
4. 3 Years of Tax Returns-Signed	9. First Time Buyer Certificate
5. Employment Verification	10. Credit Report

***If purchasing a multi-Family – a Landlord Training Certificate is required of all borrowers in addition to the First Time Home Buyer Certificate.**

Total debt ratio cannot exceed 42%. The LDFC has limited funds and therefore, reserves the right to deny an application if it feels that the risk factor is too high. Applications are reviewed on a case-by-case basis. Examples of factors which may affect a decision include but are not limited to; excessive debt, excessive payment shock from renting to owning, if a full-time job per person on an application is not sufficient to meet the mortgage payment, sufficient cash funds available, etc.

Procedure to apply: Let your lender know that you want to apply for the down payment assistance at the time you apply for the mortgage. Your lender will prepare an extra copy of the above documents to be submitted to the **Merrimack Valley Housing Partnership.**

Application Deadline: The deadline for submitting required documents to the Merrimack Valley Housing Partnership is the second Wednesday of each month. **Closings must take place at the end of the month. No exceptions will be made to this policy.**

Payback Terms: 20% of the loan is paid back to LDFC in five annual installments beginning on the 5th anniversary of the loan. The entire loan is due upon sale, transfer or refinancing. There is a one-time \$100 processing fee added to the 1st payment. There is a \$175.00 mortgage recording fee. The LDFC must be listed on the home owner's policy as a mortgagee (2nd).

If using a MassHousing Mortgage, loan payments must be made in 60 monthly payments rather than annually. This payment must be included in the debt ratio.

NOTE: FHA MORTGAGES CANNOT BE USED WITH THIS PROGRAM

Lenders should send complete packages to the Merrimack Valley Housing Partnership.

*** FAXED FILES ARE NOT ACCEPTED**

By FED EX or UPS
67 Middle Street, Suite 501
Lowell, MA 01852

By Regular Mail
P.O. Box 1042,
Lowell, MA 01853

For questions, please call the Merrimack Valley Housing Partnership office at **(978) 459-8490.**

Website: www.mvhp.org



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