



- The homebuyer must make a contribution toward the down payment in an amount of not less than 1% of the sales price.
- The homebuyer must reside in the property as their principal place of residence.
- Program participants shall not own or have an interest in other real estate at the time of purchase. Ownership of a vacation home excludes participation in the Good Neighbor Program.
- Monthly housing payments must be affordable and will not exceed 30% of gross monthly income according to the most recent tax year at the time of purchase.
- One person in the family must have had a full-time job for at least two years.
- Applications will be taken on a first-come, first-serve basis. The City will compile a waiting list of qualified applicants. Only persons meeting the program criteria need apply.

Homebuyer Counseling

Buyers must successfully complete eight hours of HUD-approved housing counseling by a City-recommended agency. The City of Dearborn Heights can provide the guidance needed to begin your training.

How Do I Get Started?

1. Contact a lending institution to obtain a loan commitment and be qualified for a first mortgage.
2. Fill out a City of Dearborn Heights homebuyer assistance application.
3. Once approved, attend eight hours of HUD-approved housing counseling.
4. Find a foreclosed home priced within the program sales price limits and your pre-approved loan amount.
5. Have your lender complete your loan package and forward it to the City of Dearborn Heights Mayor's office.



City of Dearborn Heights

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Neighborhood Stabilization Program

The City of Dearborn Heights Neighborhood Stabilization Program is designed to help income-qualified homebuyers purchase foreclosed homes more affordably by providing down payment assistance. Down payment assistance is a grant issued as a no-interest deferred loan forgivable five years after the effective date. If the homeowner ceases to be the

City of Dearborn Heights,
Wayne County, MI



April 2012

Purpose of the Neighborhood Stabilization Program

The purpose of this program is to stimulate the re-occupancy of foreclosed properties within the City of Dearborn Heights through down payment assistance for prospective homebuyers. It is the broader intent of this program to stabilize neighborhoods within the City that have been hardest hit by home foreclosures.

The program provides up to \$15,000 in the form of a deferred loan to an applicant earning up to middle income as shown in the table. The home purchased must be owner-occupied and used as the primary residence.

The program is designed to expand the supply of affordable housing by providing down payment assistance to low, moderate and middle income homebuyers purchasing a foreclosed home within Dearborn Heights' city limits.

Eligibility Requirements

If you meet the criteria, the Dearborn Heights Neighborhood Stabilization Program may be able to help you reach your goal of successful homeownership.

Income Qualifications	
Family Size	Income Level
1	\$ 54,850
2	\$ 62,700
3	\$ 70,500
4	\$ 78,350
5	\$ 84,650
6	\$ 90,900
7	\$97,150
8	\$103,450

Total gross family income claimed on a 2011 tax return must not exceed the guidelines listed.

- Applicant must provide a pre-approval mortgage certificate from a HUD- or MSHDA-approved mortgage/financial institution that offers reasonable fixed interest rates that do not exceed 8% and mortgage origination fees that do not exceed \$2,000.
- Applicant cannot have filed bankruptcy within the last three years.
- Applicant cannot currently own a home.
- Applicant must reside in the property as their principal place of residence.
- Applicant cannot possess more than \$15,000 in liquid assets.
- Applicant must reside in home for a period not less than 5 years and investors are prohibited.
- Total gross family income claimed on a 2011 tax return must not exceed the guidelines listed in the Income Qualifications chart.

Benefits of Homeownership

- Tax savings in the form of interest deductions
- Property value appreciation and equity accumulation
- A measure of security, stability, and control over monthly living costs and environment
- Pride of homeownership
- A stronger sense of community



Terms of the Program

- Potential homebuyers are required to purchase a foreclosed upon home.
- Maximum amount of up to 20%, not to exceed \$15,000 of the home purchase price, will be available to eligible households.
- First-time homebuyer requirements do not apply.
- First-time homebuyers, as defined by the Federal Government, are persons that have not owned a home within the past three years.
- Program subsidies will be provided as five-year, zero-interest forgivable loans.
- A 30-year fixed loan from an FHA- or HUD-approved lender is required.
- A homebuyer is required to repay a pro-rated amount of the subsidy if the property is vacated within five years of purchase.
- Each homebuyer is required to receive and complete at least eight hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.
- City of Dearborn Heights residents who qualify are encouraged to apply.

