

Potential Homebuyers
Overview of NCHFA's

Community Partners Loan Pool (CPLP)

Updated: **March 2024**

NC Housing Finance Agency's Mission

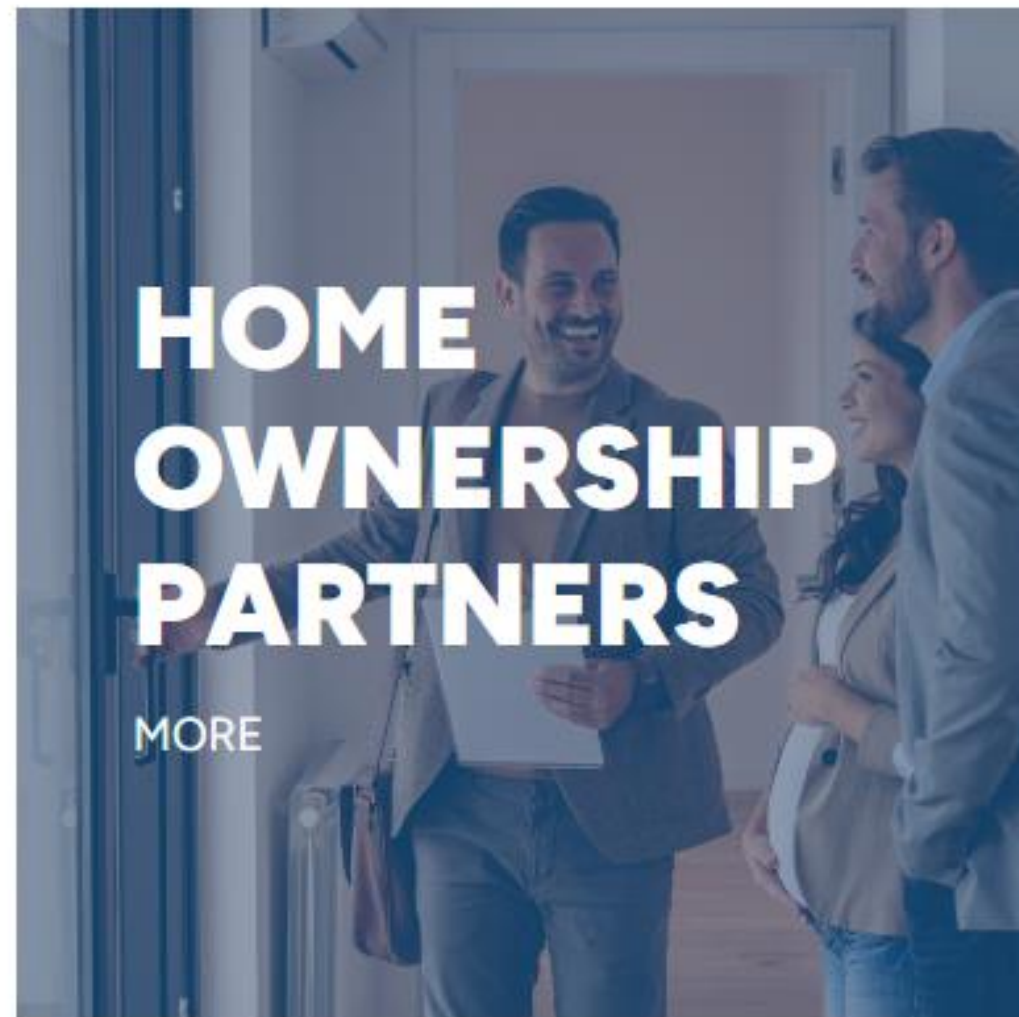
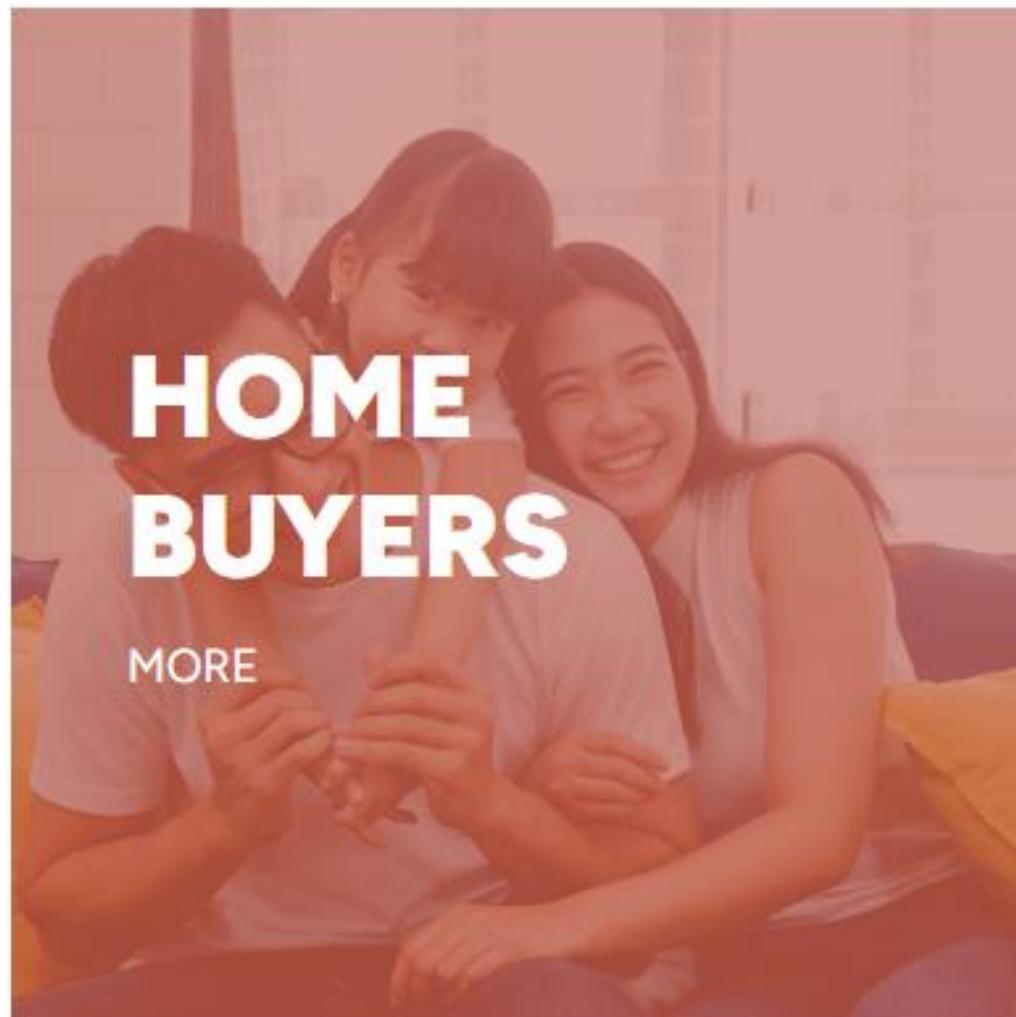
We provide safe, affordable housing opportunities to enhance the quality of life of North Carolinians



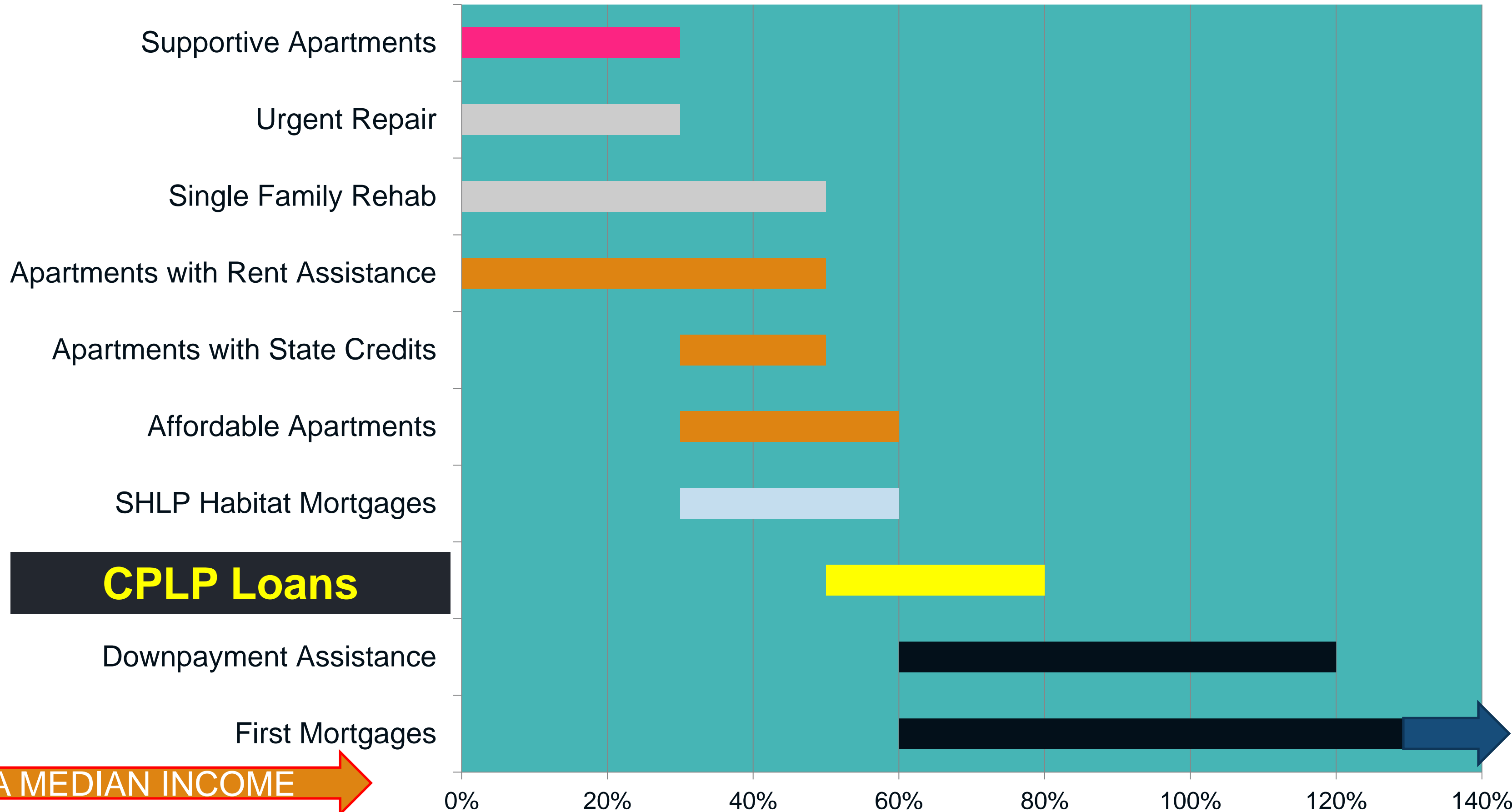
[En Español](#) [News](#) [Events](#) [Impacts](#) [Research](#) [Careers](#) [Press](#) [Investors](#) [Help](#) [Contact Us](#)



[About Us](#) [Home Buyers](#) [Homeowners](#) [Renters](#) [Home Ownership Partners](#) [Rental Housing Partners](#)



NCHFA's Range of Programs & Income Eligibility



What is the Community Partners Loan Pool (CPLP)?

**Down Payment Assistance for
Low- and Moderate- Income Home Buyers**

NC Home Advantage Mortgage™



Buying a Home? We're Here to Help Make it Happen!

The NC Home Advantage suite of products may have the boost you need to making home ownership possible!

Am I Eligible?

- ✓ You are buying a home in North Carolina
- ✓ Your income and home sales price do not exceed certain limits*
- ✓ Your credit score is 640 or higher (660 if purchasing a manufactured home)
- ✓ You occupy the home as your principal residence within 60 days of closing
- ✓ You are a legal resident of the United States

How to Apply:

The NC Home Advantage suite of products is offered statewide by the NC Housing Finance Agency through participating lenders. Find a lender near you at www.nchfa.com/home-buyers/find-lender or call 1-800-393-0988.

*Income and sales price limits are available at www.nchfa.com/home-buyers/income-limits



- Open to both first-time and move-up home buyers
- Down payment assistance up to 3% of the loan amount
- 0% interest, second mortgage forgivable in year 15
- FHA, VA, USDA and Conventional loans eligible



- For first-time home buyers and eligible military veterans
- **\$15,000 in down payment assistance!**
- 0% interest, second mortgage forgivable in year 15
- FHA, VA, USDA and Conventional loans eligible

To learn more about the NC Home Advantage Mortgage™, the NC 1st Home Advantage Down Payment and the NC Home Advantage Tax Credit (which can save eligible buyers up to \$2,000 a year on taxes) visit www.nchfa.com/home-buyers.



HousingBuildsNC.com
1-800-393-0988

No tax dollars were used for this publication.



Buying Your First Home? Make it Happen with Up to \$2,000 in Annual Tax Savings!

The NC Home Advantage Tax Credit is a Mortgage Credit Certificate (MCC) that allows eligible buyers to receive a 30% federal tax credit on existing homes (50% on new construction), potentially saving up to \$2,000 per year on your federal tax liability.

*A participating lender can determine if a home is in a targeted area
**Income and sales price limits are available at www.nchfa.com/home-buyers/income-limits

Am I Eligible?

- ✓ You are a first-time buyer, military veteran or are purchasing a home in a targeted area*
- ✓ Your income and home sales price do not exceed certain limits**
- ✓ You are buying a home in North Carolina
- ✓ You occupy the home as your principal residence within 60 days of closing
- ✓ You are a legal resident of the United States

How to Apply:

The NC Home Advantage suite of products is offered statewide by the NC Housing Finance Agency through participating lenders. Find a lender near you at www.nchfa.com/home-buyers/find-lender or call 1-800-393-0988. To learn more about our products, visit www.nchfa.com/home-buyers.



HousingBuildsNC.com
1-800-393-0988

No tax dollars were used for this publication.



When *More* Assistance is Needed

**NC Home Advantage
Mortgage™**

**NC Home Advantage Mortgage™
+ Community Partners Loan Pool**

Without DPA

OR

With 3% DPA

OR

With \$15K DPA

OR

Mortgage Credit Certificate
(MCC)

**(CPLP)
Special DPA for
Low- and
Moderate-
Income
Households**

Combined CPLP w/ NC Home Advantage™

- **Up to 25%** of Sales Price, not to exceed **\$50,000.00**
- 0%, deferred but *not* forgiven, Subordinate Mortgage
- Term matches 1st Mortgage = 30 years
- Must apply through a **CPLP Member**



Designed to make
monthly payment
affordable long-
term, not just to
cover closing
costs



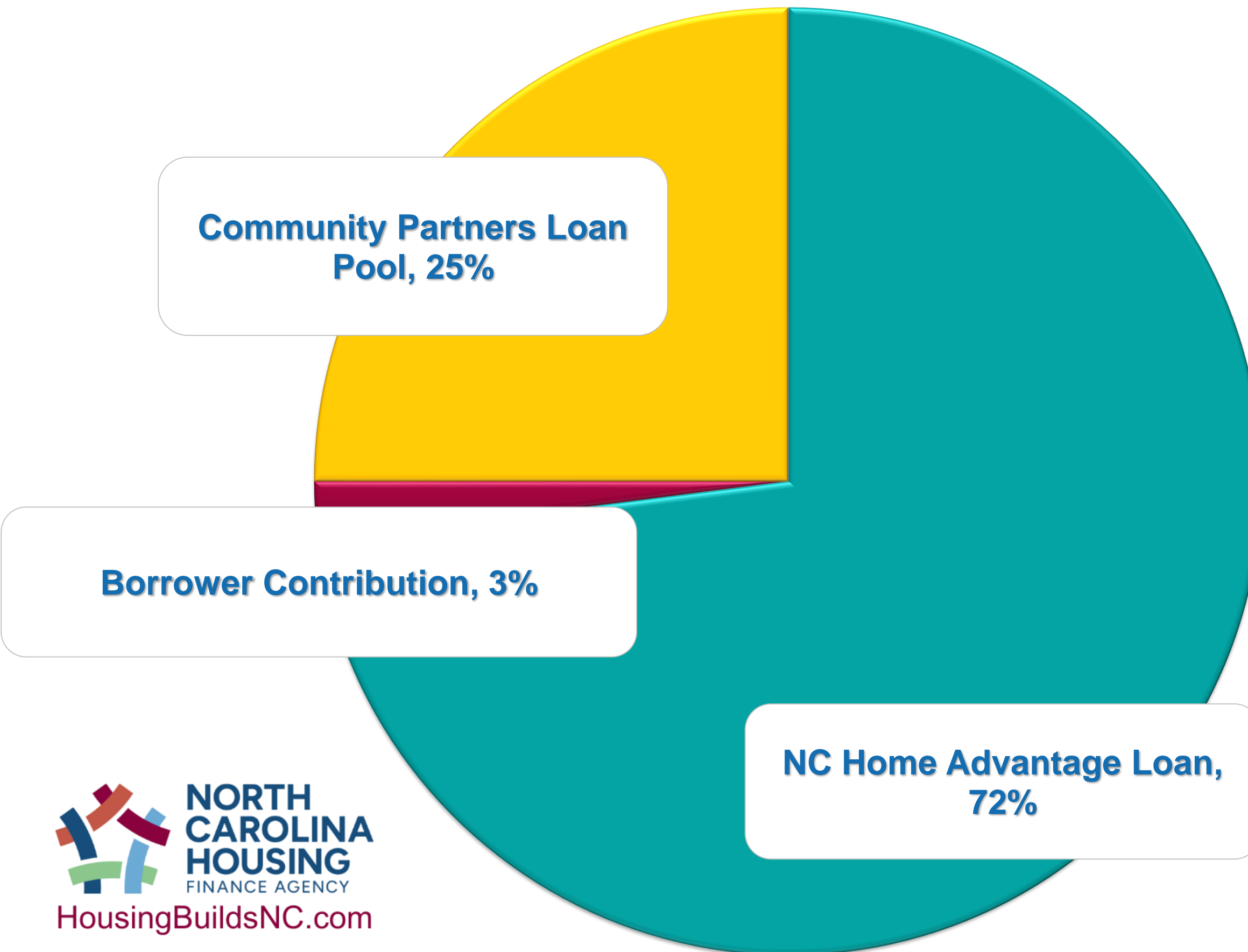
Combined CPLP w/ USDA 502 Direct Loan

- **Up to 10%** of Sales Price not to exceed **\$50,000**
- 0%, deferred, **not forgiven**, Subordinate Mortgage
- Term matches 1st Mortgage up to **33** yrs.
- Must apply through a **CPLP Member**

**NOTE: Can build a home using construction financing from USDA.*



Benefits of CPLP & How This Might Work



- **Reduces mortgage payment by up to 25%**
- **Eliminates or reduces Private Mortgage Insurance**
- **No monthly payments & No interest charged during the term of the loan**
- **Can be combined with Other DPA programs like NC Home Ad™ & FHLB.**

Community Partners Loan Pool (CPLP)

CPLP uses federal HOME funds from HUD to serve eligible low- to moderate-income Home Buyers:

- Maximum **Household Income Limits** $\leq 80\%$ of Area Median Income (AMI) (varies by county and household size)
- All Borrowers must complete HUD-approved **home buyer education & pre-purchase counseling**
- Maximum **Sales Price Limits** varies by County and House Type (New vs. Existing)
- **Property: New** (new manufactured homes, must be on permanent foundation) / **Existing Homes** (Pass Local Minimum Housing Code and Home Inspection)
- Must apply for assistance through a **CPLP Member**



Eligible Home Buyers

Household Income cannot exceed **80% AMI**
(Area Median Income)

- Income for all occupants > 18 yrs.
- Adjusted by HH size / 1 to 8 person

Min. Credit Score = **640** (660 for new manufactured homes)

Max. Housing Ratio = **32%**

Min. Housing Ratio = 20%

Max, Debt to Income Ratio = **45%**



What kinds of income count?

- **Borrower** will to confirm who will be living in the home.
- **Verify** borrower's marital status. If no legal separation or divorce exists, spouse's income **must** be included.
- Include income of all household members over 18 (**except full-time enrolled college students – transcripts required*)





Income Documentation

- W2 forms
- verification of employment (VOE's)/income forms
- pay stubs, (minimum **60 days YTD earning / no more than 90 days old**)
- child support decrees
- divorce decrees
- separation agreements
- documentation from child support enforcement authorities
- award letters for Social Security
- award letters for Social Security Disability
- award letters for Supplemental Security Income
- documentation of full-time student status (transcripts, acceptance letters, etc.)

Borrower Ratios

Housing Ratio (Front-End)

- Minimum Front-End Ratio of **20%**
- Maximum Housing Ratio of **32%**

Debt Ratio (Back-End)

- No Minimum Back-End Ratio
- Maximum Back-End Ratio of **45%**

What counts in total monthly debt?

- Credit Cards (Consumer Debt)
- Car Loans & Other loans
- Non-Garnished Child Support
- Student Loan Debt



**Income
is *NOT*
Grossed
Up**

What is Payment Shock?

- Not a requirement for most mortgages, but CPLP Members will absolutely evaluate **Payment Shock**.
- What is the difference between Borrower's new mortgage payment and their previous rent / house payment?
- If significantly higher, is the borrower(s) ready for this increase in their monthly housing payment?



Required Homebuyer Education and In-person Pre-purchase Counseling

Required Homebuyer Education and Counseling



All borrowers must complete:

- Minimum **6 hrs.** of Homebuyer Education from a HUD-approved provider
- Minimum **2 hrs.** of in-person Pre-purchasing counseling from a HUD-certified housing counselor

Both must be provided within 12 months of the anticipated closing date.

If not, Supplemental Education will be required & documented using the **Recertification Form** or new education certificate



Eligible Homes to Purchase w/ CPLP Funds

CPLP Program: Eligible Types of Homes

NEWLY CONSTRUCTED HOMES



EXISTING HOMES



CPLP Sales Price Limits

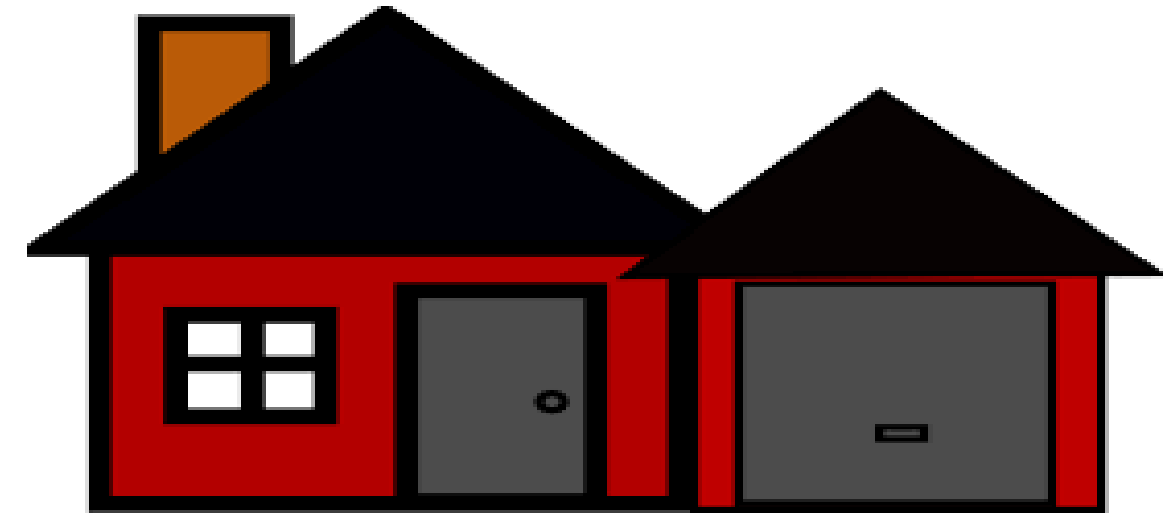
- Homes purchased with CPLP funds **cannot** exceed the **Maximum Sales Price Limits set** for the HOME Program
- Different limits for New Constructed and Existing Homes
- Limits controlled by HUD



Required Property Inspections

NEWLY CONSTRUCTED HOMES:

- Certificate of Occupancy



EXISTING HOMES:

- Home Inspection by a N.C. Licensed Inspector
- Local Minimum Housing Code Inspection



Additional Requirements for Pre-1978 Homes

- Homebuyer should receive an **EPA Pamphlet**
- Minimum CPLP requirement:
 - **Lead Based Paint Visual Assessment form be completed**
 - **Acknowledgement / Disclosure**



The image shows the cover of an EPA pamphlet titled "Protect Your Family From Lead In Your Home". The cover is blue and features three illustrations: a magnifying glass over a crack in a wall, a hand holding a paintbrush with a red prohibition sign over it, and a hand washing a brush in a bucket of soapy water. The text on the cover includes the title, the EPA logo, and the logos of the United States Consumer Product Safety Commission and the United States Department of Housing and Urban Development.

Protect Your Family From Lead In Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

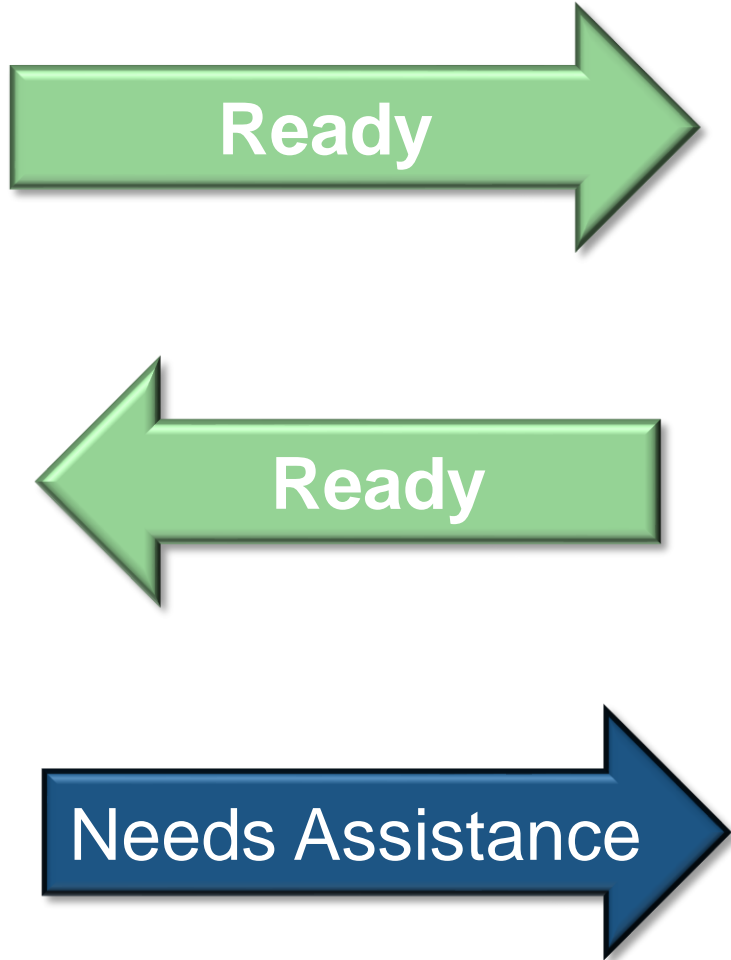
Existing Homes Require Inspections



- Allow enough time to schedule required inspections and needed repairs.
- Proof of repairs required

Lender, Realtor®, and CPLP Member Relationship

NC Home Advantage Lender or Realtor® refers borrower to CPLP Member for Education, Counseling & Down Payment Assistance or Credit Repair



CPLP Member refers CPLP eligible borrower to NC Home Ad™ Lender for 1st Mortgage and possibly to Realtor® for assistance with housing search



A CPLP Partner should be your first stop for
homeownership.

Congrats to being well on your way!