DEPARTMENT OF HOUSING & NEIGHBORHOOD PROGRAMS

CITY OF LITTLE ROCK
CDBG-DR HOMEBUYER ASSISTANCE PROGRAM
APPLICATION PACKAGE

Thank you for your interest in the CDBG-DR Homebuyer Assistance Program (HAP). HAP will provide direct assistance to homebuyers to facilitate and expand on behalf of the purchaser and pay reasonable closing costs associated with the home purchase on behalf of the purchaser for eligible populations. Assistance will be offered through a forgivable loan. A deed restriction will be placed on the mortgage based on the subsidy.

Eligible Geographic Areas: Properties must be in the city of Little Rock

Program Eligibility: The following additional eligibility criteria apply:

- Buyer must be a U.S. citizen, U.S. noncitizen national, or a "qualified alien," as defined in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), to receive CDBG-DR assistance, consistent with Executive Order 14218 (90 FR 10581), signed February 19, 2025.
- Buyer must be a first-time homebuyer (not have owned any residential property within last three (3) years).
- Buyer must agree to own / occupy the property for a minimum of five (5) years (Affordability Period).
- Buyer must complete a homebuyer counseling course, acceptable to the City of Little Rock.
- Household income must be at or below 150% AMI.
- Must be a new or existing single-family, detached dwelling with no more than four (4) living units.
- Property must be inspected by city staff and meet the City of Little Rock Minimum Housing Code Standards:
    - If dwelling is pre-1978, a lead-based paint inspection and risk assessment is required, if there is chipping and peeling paint on the structure

Maximum Amount of Assistance Per Beneficiary: The maximum assistance for HAP is $15,000 per unit (or 8% of purchase price). Program maximum assistance may also be increased where necessary and on a case-by-case basis to comply with federal and State accessibility standards or to reasonably accommodate a person with a disability.

The assistance will be structured in the form of a forgivable loan. The loan is forgiven in equal installments over a 60-month period. Mortgage subsidy assistance from the City may not be used in conjunction with the down payment assistance program funds. The forgivable loan cannot be used to assist refinancing for an existing owner. All repairs must be completed on the unit prior to approval of the assistance. There will be no cash back at closing to the borrower. All original documentation must be sent to the City of Little Rock. Assumptions will not be allowed. Hazard insurance will be required to show City of Little Rock as second mortgage. Funds cannot be used to buy down mortgage loan.

How to Apply: Please submit a completed application and all required supporting documentation to:
CDBGDR@littlerock.gov

Applications will be reviewed in the order they are received. Submission of an application does not guarantee funding or program eligibility. Assistance is subject to the availability of CDBG-DR funds and compliance with all applicable federal, state, and local requirements.

Revised 7.2.2026: Updated AMI to 150%; redefined income eligibility documentation

HAP CHECKLIST			
Borrower:		**Phone #:**	
Co-Borrower:		**Phone #:**	
Borrower(s) Total Household(HH) Income:		**HH Size**	
Lender Name:		**Phone #:**	
Property Address:		**Legal Address:**	
Buyer's Realtor's Name:		**Phone #:**	
Seller's Realtor's Name:		**Phone #:**	

Closing Agent Company and Contact Name:		**Phone #:**		**Email:**	

Documents

	Requirement	Standard	Documentation Required
☐	Applicant Identification	Primary buyer (s) and all household members must establish identity.	Government-issued photo ID (required for primary and co-applicant); birth certificate or other acceptable documentation for household members
☐	Citizenship / Lawful Presence	Primary buyer must be eligible to receive federal public benefits under PRWORA.	U.S. Passport, Birth Certificate, Naturalization Certificate, Citizenship Certificate, or other lawful presence documentation
☐	Income Eligibility	Household income must meet HUD limits and program thresholds.	Employment (2 months' pay stubs or employer verification); Self-employment (tax returns, profit & loss statement); SSI/SSDI (award letter or benefit statement); Pension or retirement (award letter or benefit statement); Unemployment benefits; Child support or alimony (court order or payment history); Veterans benefits; Public assistance/TANF; Investment or rental income (bank statements, 1099s, lease, or tax return); Other recurring income sources; or Certification of No Income
☐	Income Eligibility		IRS Tax Return Transcripts (or signed Federal Income Tax Returns if transcripts are unavailable) for the Prior Two (2) Tax Years
☐	Duplication of Benefits (DOB) (if Applicable)	Buyer must demonstrate unmet need after accounting for all disaster assistance.	Insurance policy, claim information, FEMA award letter, SBA award letter showing structural vs. contents payments and net claim amount
☐	Property Eligibility & Valuation	Property must meet program requirements and be suitable for purchase.	1. Appraisal 2. Real Estate Contract (executed purchase agreement)
☐	Loan Qualification	Buyer must be qualified by a mortgage lender prior to assistance.	1. Uniform Residential Loan Application (Form 1003) 2. Commitment Letter from Mortgagee 3. Loan Estimate and/or Closing Disclosure (CD) 4. Credit Report
☐	Program Compliance	Buyer must complete prior to assistance.	1. Homebuyer Counseling Certificate (HUD-approved counseling agency) 2. Notice to Homebuyer (acknowledgment form)
☐	Closing Coordination	Required documentation must be provided to facilitate closing and funding.	Closing agent/title company contact information (including phone number)
☐	Additional Documentation (If Applicable)	Required based on household composition or legal status.	Birth certificates for minors, disability verification, Power of Attorney documentation
☐	Completed Lender Application	Lender and Buyer must submit a complete application to be considered for assistance	Completed and signed application form
☐	Completed Document Checklist	Lender must provide all required documentation as outlined by the program.	Completed document checklist confirming all required items are submitted

Lender Staff (Printed Name):________________________________ Signature:_______________________________ Date:__________

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City of Little Rock will complete the following Property Checklist

ELIGIBLE PROPERTY CHECKLIST	
☐	**CDBG-DR Target Area**. Must be located in a CDBG-DR Target Area.
☐	**Single Family Property Type**. Must be one of the following (checked acceptable types only): ☐ Detached ☐ Attached ☐ Condominium ☐ Cooperative ☐ Manufactured home (on its own lot and affixed to permanent foundation) ☐ Two-Family (owner & renter unit) – requires Grantee approval
☐	**Environmental clearance**. Must have no substantial adverse environmental factors as determined by an environmental review.
☐	**Suitable for homeownership**. Should be suitable for marketing and resale of homes to income-qualified homebuyers. Factors to be considered are zoning, crime rates, schools, accessibility to services and employment, and other environmental conditions.
☐	**Clear title**. Must be able to be acquired with a valid deed free and clear of all encumbrances. Purchases with any other form of deed or with any lien, deed restriction, land lease or other encumbrance must be approved in advance by Grantee.
☐	**Housing Quality Standards**. The property must meet Housing Quality Standards, as defined by the HUD (or other applicable standard), inspected by the City of Little Rock ☐ If checked, a portion of the CDBG-DR funds can be used for repairs to the meet the standard. ☐ Property must be inspected by a qualified home inspector. ☐ Property must have a visual assessment for deteriorated paint, if pre-1978.

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LENDER APPLICATION

(Participating Lenders must have a brick-and-mortar location within the State of Arkansas)

Company Name:						
Address:						
	Street Address					
	City:		**State:**		**Zip Code:**	
Contact Person:			**Email:**			
Phone Number:			**Tax ID:**			
Are you registered with Sam.gov?	Yes	No	**Unique Entity ID (UEI):**			
Have you ever worked with the City of Little Rock?	Yes	No	**If yes, when?**			
Are you registered with ADFA (Arkansas Development Finance Authority)?			Yes	No		

Disclaimer and Signature

I certify that my answers are true and complete to the best of my knowledge.

In the event that this application is approved, please understand that false or misleading information will result in immediate dismissal from participation.

Lender Signature: ____ Date:____________________

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CITY OF LITTLE ROCK
CDBG-DR HOMEBUYER ASSISTANCE PROGRAM
NOTICE TO HOMEBUYER

You have submitted an application for a down payment assistance loan funded by the City of Little Rock, Department of Housing & Neighborhood Programs through the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program.

If this assistance to buy a home is provided, there will be special conditions in your agreement with us and in the deed restriction securing our loan. These conditions are required by federal CDBG-DR Program regulations. We want to make sure you have been informed of the regulations, which are as follows:

PROPERTY ELIGIBILITY

- Property must be located within the city limits of Little Rock.
- Must be a new or existing single-family, detached dwelling with no more than four (4) living units.
- Property must be inspected by city staff and meet the City of Little Rock Minimum Housing Code Standards.
- If dwelling is pre-1978, the City will require a certified person or entity to perform a Lead-based Paint inspection and Risk Assessment (if applicable) to determine if lead-based paint hazards are present. This must be addressed prior to closing the loan. The Mortgage Lien & Deed Restriction will constitute a second lien, and any subordinate mortgage for rehabilitation (if applicable) will constitute a third lien.

BUYER ELIGIBILITY

- Buyer must document that annual household income (≤150% area median income), adjusted for family size, does not exceed the maximums. **NOTE:** These limits are established by the U.S. Department of Housing and Urban Development for Little Rock/North Little Rock/Jacksonville MSA, and are subject to adjustment.
- Buyer must be a first-time homebuyer (not have owned any residential property within last three (3) years).
- Buyer must agree to own / occupy the property for a minimum of five (5) years (Affordability Period).
- Buyer must complete a 8-hour homebuyer counseling course, acceptable to the City of Little Rock.

HAP ASSISTANCE

The assistance available is as follows:

- The total of the down payment assistance to any buyer and/or property may not exceed eight (8) percent of the purchase price, not to exceed $15,000.00.
- The assistance will be structured in the form of a forgivable loan. HAP documents will be prepared by the City of Little Rock. The loan is forgiven in equal installments over a 60-month period.
- Mortgage subsidy assistance from the City may not be used in conjunction with the down payment assistance program funds.
- The forgivable loan cannot be used to assist refinancing for an existing owner.
- All repairs must be completed on the unit prior to approval of the assistance.
- No cash back at closing to borrower.

- All original documentation must be sent to the City of Little Rock.
- Assumptions are not allowed.
- Hazard insurance to show City of Little Rock as 2nd mortgagee.
- Funds cannot be used to buy down mortgage loan.

POLICIES AND PROCEDURES

- Application for assistance shall be made on the form(s) provided by the City of Little Rock.
- Assistance shall be requested by applicant through the mortgage lender.
- Application for assistance shall be submitted only after underwriting has been made by the mortgage lender that the applicant appears to qualify for the loan to purchase the home, subject only to the assistance grant. Status of the application will be discussed with the mortgage lender only. All requests for status will be referred to the mortgage lender.
- Documentation with proof of income and loan qualification from the mortgage lender must accompany the application for this grant.
- On receipt of the application, a codes inspection will be made by the Code Enforcement Division to determine if the home meets the Minimum Housing Code Standards of the City of Little Rock.
- If the property does not meet the standards the mortgage lender will be notified and the Seller must remedy code deficiencies in order to qualify the property for homebuyer assistance.
- If deteriorated paint is identified in the codes report, a lead-based paint inspection report and risk assessment must be submitted. If lead hazards are identified in the lead-based paint report, the corrections must be made by a licensed lead-based paint worker, and a lead-based paint clearance report must also be submitted.
- All inspections must be completed and the final inspection showing the house meets the minimum housing standards. The documentation must be received at the Department of Housing and Neighborhood Programs prior to closing.
- The lender will be reimbursed by the City of Little Rock after receipt of copy of recorded subordinate mortgage and deed restriction.
- Borrower(s) is/are responsible for satisfying all Program regulation requirements during the Period of Affordability, including proper maintenance of the residence and payment of all taxes and insurance. If you do not abide by the terms and conditions of the HOME Program, you will be in default and recapture or foreclosure proceedings may be initiated.
- If you do sell the house within the Period of Affordability, the City will recapture the amount of HOME funds that have not been forgiven during the Affordability Period from the net sales proceeds.

By signing below, you understand each of the foregoing conditions and affirm that they have been fully explained to you.

Borrower:____ Date:________________________

Lender:____ Date:________________________