



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 120% AMI. Households up to 150% AMI may be considered in the future.
- 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.

HAP CHECKLIST

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

DOCUMENT CHECKLIST

	Requirement	Standard	Documentation Required
<input type="checkbox"/>	Applicant Identification	Primary buyer (s) and all household members must establish identity.	Government-issued photo ID (required for primary applicant); birth certificate or other acceptable documentation for household members.
<input type="checkbox"/>	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.
<input type="checkbox"/>	Income Eligibility	Household income must meet HUD limits and program thresholds.	Tax returns, pay stubs (3 months), W-2s, benefit letters, bank statements, profit and loss statements, rental agreements, unemployment letters, court orders, or Certification of No Income.
<input type="checkbox"/>	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.
<input type="checkbox"/>	Property Eligibility & Valuation	Property must meet program requirements and be suitable for purchase.	Appraisal Real Estate Contract (executed purchase agreement)
<input type="checkbox"/>	Loan Qualification	Buyer must be qualified by a mortgage lender prior to assistance.	Uniform Residential Loan Application (Form 1003) Commitment Letter from Mortgagee Loan Estimate and/or Closing Disclosure (CD) Credit Report
<input type="checkbox"/>	Program Compliance	Buyer must complete prior to assistance.	Homebuyer Counseling Certificate (HUD-approved counseling agency) Notice to Homebuyer (acknowledgment form)
<input type="checkbox"/>	Closing Coordination	Required documentation must be provided to facilitate closing and funding.	Closing agent/title company contact information (including phone number)
<input type="checkbox"/>	Additional Documentation (If Applicable)	Required based on household composition or legal status.	Birth certificates for minors, disability verification, Power of Attorney documentation.
<input type="checkbox"/>	Completed Lender Application	Lender and Buyer must submit a complete application to be considered for assistance	Completed and signed application form.
<input type="checkbox"/>	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: _____

The City of Little Rock will complete the following Property Checklist

ELIGIBLE PROPERTY CHECKLIST	
<input type="checkbox"/>	CDBG-DR Target Area. Must be located in a CDBG-DR Target Area.
<input type="checkbox"/>	Single Family Property Type. Must be one of the following (checked acceptable types only): <ul style="list-style-type: none"> <input type="checkbox"/> Detached <input type="checkbox"/> Attached <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Manufactured home (on its own lot and affixed to permanent foundation) <input type="checkbox"/> Two-Family (owner & renter unit) – requires Grantee approval
<input type="checkbox"/>	Unoccupied. Must be unoccupied and have no personal possessions on site. On an exception basis and only with advance written permission from Grantee, occupied properties may be purchased provided that all relocation requirements described in Section Error! Reference source not found. below are followed.
<input type="checkbox"/>	Environmental clearance. Must have no substantial adverse environmental factors as determined by an environmental review.
<input type="checkbox"/>	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.
<input type="checkbox"/>	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.
<input type="checkbox"/>	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 <ul style="list-style-type: none"> <input type="checkbox"/> If checked, a portion of the CDBG-DR funds can be used for repairs to the meet the standard. <input type="checkbox"/> Property must be inspected by a qualified home inspector. <input type="checkbox"/> Property must have a pest or termite inspection if more than one (1) year old. <input type="checkbox"/> 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:					
	<i>Street Address</i>				
	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: _____



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, a lead-based paint inspection and risk assessment is required, if there is chipping and peeling paint on the structure.

BUYER ELIGIBILITY

- Buyer must document that annual household income ($\leq 120\%$ 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 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.

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

Borrower_____

Date_____

Lender_____

Date_____