



# City of Phoenix

## Open Doors Homeownership Program

### FACT SHEET

#### Program Overview

This program is designed to assist eligible first-time homebuyers with the purchase of an affordable home in the City of Phoenix. Based on need, the program provides a deferred payment loan up to **\$15,000** to assist with down payment and closing costs. Buyers must complete eight (8) hours of Homebuyer Education from a U.S. Department of Housing and Urban Development (HUD) certified housing counseling agency. The down payment assistance program is administered by Community Housing Resources of Arizona, Chicanos Por La Causa or Desert Mission Neighborhood Renewal. Down Payment Assistance funds are offered as a deferred payment loan that:

- Has an interest rate of 0% with no monthly principal payments.
- Is up to \$15,000 with repayment due on sale, change in residency, or refinancing (unless repayment is waived by the City of Phoenix) within the first 15 years of homeownership.
- Is forgiven after 15 years.
- Can be layered with a loan from the City of Phoenix Neighborhood Stabilization Program (NSP) when a Move-in Ready Property is purchased.



#### Eligible Homebuyer

Participants must:

- Be first-time homebuyers or have a minimum period of 36 months between the dates of a current closing and any previous ownership.
- Own and occupy the property as their primary residence for the term of the loan and maintain the property in compliance with the City of Phoenix Neighborhood Preservation and Zoning Ordinances.
- Participate in pre-purchase counseling, with post-purchase counseling available as needed.
- Have a total annual household income that does not exceed 80% of the Area Median Income (AMI).

Family Size	1	2	3	4	5	6	7	8
80% AMI Income	\$34,650	\$39,600	\$44,550	\$49,500	\$53,500	\$57,450	\$61,400	\$65,350

January 2014, U.S. Department of Housing and Urban Development

- Qualify for a 15-year or 30-year fixed rate, fully-amortizing mortgage with debt ratios that meet current FHA guidelines.
- Buyers must be qualified to spend at least 25% of their monthly income on a mortgage payment with front-end ratios between 25-33% and a total debt ratio that does not exceed 41%.
- Be a permanent legal resident of the United States.
- Minimum investment from buyer of \$1,000 or meet primary lender's requirements, if greater. FHA loans require 3.5% of purchase price as a down payment, which half must come from the homebuyer's own funds and cannot be a gift.
- Obtain a one to three year home warranty contract, not to exceed \$500 per year.
- Receive no cash back at closing. Funds will be paid directly to the Title Company and excess funds will be applied to reduce the first mortgage amount.



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#### **Eligible Property**

In order to be eligible for Down Payment Assistance funds, properties must:

- Be a single family home or condominium (condo conversions are not eligible).
- Be located within the City of Phoenix jurisdictional area and, if applicable, within NSP target areas.
- Pass a Housing Quality Standards (HQS) inspection.
- Pass an Environmental Impact Assessment (provided by the City).

Reservations for funding are limited. To schedule an appointment to see if you qualify, contact one of the following loan administration partners:

#### **Chicanos Por La Causa, Inc.**

1112 E. Buckeye Road

Phoenix, AZ 85034

**602-257-0700**

[www.cplc.org](http://www.cplc.org)

#### **Community Housing Resources of Arizona**

4020 N. 20<sup>th</sup> Street, Suite 220

Phoenix, AZ 85016

**602-631-9780**

[www.communityhousingresources.org](http://www.communityhousingresources.org)

#### **Desert Mission Neighborhood Renewal**

9229 N. 4<sup>th</sup> Street

Phoenix, AZ 85020

**602-331-7887**

[www.icl.com/desert-mission/neighborhood-renewal](http://www.icl.com/desert-mission/neighborhood-renewal)

To learn more about the City of Phoenix Open Doors Program, call Rachel Puchi at 602.262.4587 or Jauron Leefers at 602.262.4423.



## Housing Quality Standards (HQS) Inspections Seller's Inspection Preparation Sheet

HOM, Inc. will conduct a Housing Quality Standards (HQS) inspection at your property as a requirement of the pending transaction for the purchase of your property. The property must earn a "Pass" rating on the inspection in order for the Buyer to proceed in the transaction. Following is a list of items that commonly cause HQS inspections to fail. Please use this list as a guide in your preparation for the HQS Inspection. If you have any questions or would like additional information, please contact our office. Thank you for your cooperation.

### Electrical

- Improper types of wiring, connections or insulation
- Outlets near wet areas (kitchen and bathroom countertops) must be GFCI protected
- Wires lying in or located near standing water or other unsafe places
- Missing light fixtures such as globes or other covers
- Missing or cracked cover plates on switches or outlets
- Exposed fuse box connections
- Smoke detectors must be installed in **all** bedrooms and must be operational

### Plumbing

- Missing or incorrectly installed discharge lines on water heaters – discharge line must be directed toward the ground (with the flow of gravity) and must extend to within 6 inches from the ground
- Jammed or inoperable garbage disposals
- Missing valve handles
- Leaky water fixtures and/or showerheads
- Plugged drains for sinks, tubs, commodes
- Missing drain stoppers and/or strainers for kitchen sinks, bathroom sinks and tubs
- Seals around water fixtures, sinks, tubs must be clean (free of mildew or soap build-up) and caulked

### Windows and Doors

- Windows that are designed to be opened that do not lock - Thumb locks are acceptable
- Broken or cracked windows and/or window panes
- Bathroom doors that do not lock
- Missing / inoperable window coverings – i.e., mini blinds, vertical blinds, etc.
- Missing bug screens on all windows
- Doors / door knobs that are unaligned, do not latch, and/or are missing the striker plate
- Cracked or broken door jambs





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### Flooring

- Carpet / vinyl that is lifted or damaged creating a tripping hazard
- Carpet / vinyl that is heavily stained and/or soiled – flooring must be in clean condition

### Equipment / Appliances

- Inoperable burners on stove
- Missing knobs on oven and stove
- Missing refrigerator / Missing shelves, racks, appliance lights in refrigerators
- Missing / inoperable exhaust fan in bathroom – Exhaust fan must be clean

### Exterior

- Chipped and/or peeling paint
- Holes in exterior walls of property
- Dilapidated fences and/or gates
- Leaking hose bibs / washer/dryer connections
- Debris and overgrowth of grass and shrubbery

### General Cleaning

- All rooms and areas of the home must be clean, including walls, floors, ceilings, appliances and equipment
- Kitchen appliances must be clean and operating as intended
- Kitchen countertops and the stove/range must be clean and free of any grease or food build-up
- Bathroom sinks, toilets and bathtubs/showers must be clean
- **NOTE: The inspection is not intended as an inspection of housekeeping skills, however, the unit must be clean and sanitary so that there are no concerns for the health and/or safety of the Buyer**

If the property does not pass the inspection on the first attempt, you will be provided with a list of items that must be corrected in order for the property to earn a "Pass" rating. A follow-up re-inspection of the property will be performed upon correction of all deficiencies.

