

# The City of Stillwater Homebuyer Assistance Program

## PROGRAM OVERVIEW

The City of Stillwater recognizes that most people could afford to make monthly house payments, but the largest obstacle is saving money for a down payment and closing costs. The Homebuyer Assistance (HBA) Program is designed to decrease the financial barriers preventing low to moderate income individuals and families from owning homes. The Homebuyer Assistance Program will provide qualified applicants with assistance for down payment and closing costs **up to \$5,000**.

- The home must be located within the city limits of Stillwater, Oklahoma.
- The home must be purchased for owner-occupancy, not for investment or rental property. Assistance will not be provided if there are co-owners who do not live in the home as their primary residence.
- The assistance provided is in the form of a five year forgivable deferred loan, secured by a second mortgage. If the HBA recipient occupies the purchased property as their principle residence for five years from the date of the second mortgage, the loan is forgiven, and the second mortgage will be released. If the HBA recipient sells the property during the period of affordability, the City of Stillwater will recapture the amount of assistance provided based on net proceeds of the sale. If the buyer ceases to occupy the property as their principal residence by leasing the property or transferring the property, the City of Stillwater will recapture the entire amount of assistance provided.
- The property purchased must pass a minimum housing quality standard's inspection using Section 8 criteria. Any problems noted need to be addressed prior to closing.
- All homebuyers must attend a homebuyer education class. The City offers free homebuyer education classes once every other month on a Saturday. Call 405-533-8443 for dates and to pre-register.
- The mortgage interest rate cannot exceed 3.5% over Oklahoma Housing Finance Agency (OHFA's) 1<sup>st</sup> Gold bond rate. Adjustable rate mortgages and in-house balloon mortgages are not allowed. The origination, discount and add-on fees cannot exceed 3% of the mortgage amount. Loan underwriting ratios cannot exceed 35% front end or 50% back end.
- HBA recipients must meet the following income limits. Income limits are 80% of the median income for Payne County, based on size of household, as published by the U.S. Department of Housing & Urban Development. ***Current maximum income levels are effective April 12, 2008, and are subject to annual adjustment.***

Size of Household	Maximum Annual Household Income (Gross)
1	\$28,550
2	\$32,650
3	\$36,700
4	\$40,800
5	\$44,050
6	\$47,350
7	\$50,600
8	\$53,850

***Application Packets may be picked up at the Development Services Department, City of Stillwater Municipal Building, 723 S. Lewis, Mon.-Fri. 8am to 5pm or mailed to you upon request. For more information, call 742-8345 or go to [stillwater.org](http://stillwater.org).***

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