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## NeighborhoodLIFT - FAQs

### **What are the terms of the NeighborhoodLIFT funding and what can the funds be used for?**

NeighborhoodLIFT funds are provided as a five-year forgivable loan program for owner-occupied properties. As long as the borrower resides in the home, the loan will be forgiven at 20 percent each year on the anniversary date of settlement. If the house is no longer a principal residence or the property is transferred, repayment of the balance of funds will be immediately due. If you qualify for the military benefit, check with DreamKey Partners on repayment terms.

NeighborhoodLIFT down payment assistance funds may be used for any eligible purpose including closing cost assistance, down payment assistance, or borrower minimum out-of-pocket investment if allowed by the first mortgage loan program. NeighborhoodLIFT funds may cover the closing costs or out-of-pocket requirements of a FHA first mortgage or other type of first mortgage loan, however for an FHA mortgage the borrower must still provide their own 3.5% down payment. You should consult directly with your first mortgage lender and DreamKey Partners to determine how NeighborhoodLIFT program funds may be used in connection with your home purchase.

### **Are there income restrictions for eligible borrowers and are they based on household income?**

Yes. Income limits are set for each market for NeighborhoodLIFT funds. The income limits are calculated based on borrower income in connection with household size. Income limits are higher for military service members, veterans, law enforcement officers, Pre-K12th grade teachers, firefighters and emergency medical technicians.

NeighborhoodLIFT considers borrower(s) income for program eligibility. Only household members that are on the first mortgage loan will need to provide income documentation. household income?

[View Income Limits](#) | [View First Responder, Military & Teacher Benefit Information](#)

**Are there other financial requirements to participate in the program?** You may be required to make an additional down payment contribution from your own funds if your 'remaining liquid assets' at the time of your eligibility determination session will exceed \$20,000.

'Remaining liquid assets' are defined as your available funds in bank accounts such as checking, savings, or money market accounts that are readily accessible without withdraw restrictions or penalties **after** you have met any out-of-pocket settlement requirements from your own funds.

Liquid assets do **not** include Retirement Accounts (such as 401(k), IRA, or pension accounts), Investment Accounts (such as stock, bond, or mutual funds), Certificates of Deposit (CDs), Business Checking or Savings Accounts.

Liquid asset determinations and contribution requirement estimates are made at the time of your Eligibility Determination Session. Liquid asset funds that are subsequently transferred to restricted

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accounts **after** your Eligibility Determination Session will **not** be excluded from the contribution calculation requirements.

**What first mortgage lenders are eligible to participate in the NeighborhoodLIFT program?**

Please see the NeighborhoodLIFT Approved Lender list [here](#).

**What is homebuyer education and how do I get it?** Homebuyer education is an eight-hour class that teaches about the home buying process. Homebuyer education must be provided by a HUD-Approved Housing Counseling Agency that has adopted the National Industry Standards for Homeownership Education and Counseling. More information and a list of approved providers [are available here](#).

**How do I get started with the process?** Once a buyer has an executed contract, they should request an Eligibility Determination Session. Please click the following link to see a list of [Required Documents](#) required to be submitted 72hrs prior to the appointment. Borrowers should complete their Eligibility Determination Session no less than 21 calendar days prior to the closing date listed on their purchase and sale agreement. Once a borrower is determined to be eligible, a commitment letter will be issued with a copy sent to the first mortgage lender. The first mortgage lender will then prepare documents for closing and provide copies of the required documents to DreamKey Partners at least fourteen calendar days prior to closing. DreamKey Partners will then have all documents prepared for the closing.