

Prairie Meadows/PCHTF DPA loan program FAQ

- 1) Does Polk County Housing Trust Fund provide the DPA funds at closing or does the lender front those and seek reimbursement after closing? At closing, either a check or wire transfer to the closing agent
- 2) Does the Buyer pay the PCHTF \$150.00 processing fee & PCHTF mortgage filling fee? Yes, and those fees should be indicated on the lenders Closing Disclosure statement.
- 3) Who ensures the borrower qualifies—how do we submit for approval and review prior to close? PCHTF qualifies borrowers, early submissions are appreciated. If submission to PCHTF—what is the approximate turn time for review? PCHTF qualifies forgivable loan applicants with the 1003, VOE or check stubs and issues an approval letter. It usually takes about 48 hours but if needed sooner arrangements can be made. The remaining required documents must be submitted five days prior to closing. **(Please refer to the draft of an approval letter)**
- 4) For household income, if husband applies but wife is not on the loan—would we be required to document her income or lack of? Yes Same with a domestic partnership? Yes, we consider total household income; even Social Security benefits to children
- 5) Can this be used when a borrower is paying off a construction loan or refinance transaction. Or is it purchase only? Purchase only
- 6) What classes for homebuyer education are accepted (i.e. only HUD approved, etc.)? No, any homebuyer education class is acceptable
- 7) Do they need to be a First Time Homebuyer? No
- 8) What are the exact terms for forgiveness of the loan? 0% interest for 10 years **(Please refer to the PCHTF Note Rider & Approval letter)**
- 9) Who prepares the 2nd mortgage? PCHTF, see attached example Mortgage that PCHTF will provide to the closing agent. PCHTF requires the first four pages of the Mortgage to be file with the County Recorder and the remaining pages returned to PCHTF
- 10) Do lenders need to be pre-approved to utilize the program? No, any lender can use the program for borrowers that qualify.