

Frequently Asked Questions about the Community Heroes Program

1. What is the Community Heroes program?

The Community Heroes program provides downpayment assistance up to \$30,000 to eligible healthcare workers, COVID-19 essential workers, first responders and public-school teachers in Mecklenburg County. The program is made possible by a partnership between the City of Charlotte’s HouseCharlotte program, and the Federal Home Loan Bank of Atlanta (FHLB-Atlanta).

2. Who is eligible?

This program is for those who work in the following COVID-19 essential occupations: healthcare workers such as registered nurses, nurse practitioners, nurse’s assistants, and sanitation workers; and other COVID-19 essential workers such as childcare workers, grocery and pharmacy workers, City and County solid waste workers, homeless shelter workers (social workers, counselors, case workers) & Dept. of Social Services workers (social workers & case workers), supply chain company workers (USPS, FedEx, UPS, and Amazon Warehouse) and funeral home workers. Continuing from the previous year, this program also is still available to law enforcement officers, firefighters, other first responders, and public-school teachers.

All applicants with a household income of 80.01% - 120% Area Median Income (AMI) are eligible to apply for the program. Borrower’s must also be able to qualify for a primary mortgage loan from an approved mortgage lender (see approved Lender list).

The below table shows the current AMI for the Charlotte area. For example, a family of four (4) must earn at least \$66,801 and no more than \$100,200 to be eligible to apply for the program.

<u>Income Eligibility (based on family size/number of people in household)</u>								
# of people in household	1	2	3	4	5	6	7	8
80.01% AMI	\$46,801	\$53,451	\$60,151	\$66,801	\$72,151	\$77,501	\$82,851	\$88,201
120% AMI	\$70,200	\$80,160	\$90,240	\$100,200	\$108,240	\$116,280	\$124,320	\$132,360

3. How do I apply for the Community Heroes program?

Interested applicants must work with an approved mortgage lender (see approved Lender list). The mortgage lender will determine if the borrower is eligible for the Community Heroes program. If you are eligible, the Lender will submit a request for program participation on your behalf. It is possible that individual loan officers may not know about the program. For this reason, interested applicants

should always ask their Lender (from the approved Lender list) about participating in the program to help with downpayment requirements.

Upon receipt of the completed application from the Lender, House Charlotte and FHLB-Atlanta staff will each verify the applicant's program eligibility. Refer to "How long does it take to process a Community Heroes application" question, below, for more details.

4. How much Community Heroes assistance am I eligible for?

The Community Heroes program can provide up to \$30,000 in downpayment assistance loan funds.

5. What can the financial assistance be used for?

The Community Heroes loan funds can be used for downpayment assistance, including the following:

- First Mortgage Principal Reduction
- Downpayment and closing cost
- Homebuyer Counseling/Education

6. Does the home I am interested in purchasing have to be in a specific neighborhood?

Eligible borrowers can purchase a home of their choice if it is located in Mecklenburg County and meets the maximum purchase price criteria (see below).

7. What is the maximum, total home sales price for the Community Heroes program?

The maximum purchase price cannot exceed \$300,000, for existing and new construction homes. Homes exceeding this amount are not eligible for the Community Heroes program.

8. Do I have to repay the downpayment assistance I receive from the Community Heroes program?

The Community Heroes program provides deferred, forgivable loans to qualified applicants. If a homebuyer remains in their home as a primary residence for at least ten years after receiving Community Heroes downpayment assistance, the loan automatically converts to a grant and does not need to be repaid. If, however, the homebuyer sells their home within the first ten years, or otherwise does not maintain it as their primary residence, a portion of the funds, together with accrued interest, must be repaid at that time.

9. Does interest accrue on the downpayment assistance that I receive from the program?

Interest, currently at a rate of three percent, accrues on a portion of the funds. If the home buyer remains in the home as their primary residence for at least ten years, the interest and principal are forgiven, and no repayment is required. If, however, the home buyer sells their home within the first ten years, or otherwise does not maintain it as their primary residence, a portion of the funds, together with accrued interest, must be repaid at that time.

10. If I participate in the program, are there any deed restrictions that apply to the home that I purchase?

The goal of the Community Heroes program is to increase homeownership opportunities for low-to-moderate individuals and families employed as healthcare workers, COVID-19 essential workers, first responders, teachers and other eligible fields. In return, homebuyers participating in the program agree that they will maintain their home as affordable to low-to-moderate income households, for an agreed upon period.

11. How long does it take to process a Community Heroes application?

It takes approximately 10 business days from receipt of the complete loan application package to process the application and receive the checks for closing. If the application package is incomplete, it may take longer. When the HouseCharlotte and FHLB-Atlanta checks are ready, they are sent directly to the approved mortgage Lender for the loan closing. *Your lender is responsible for requesting the approved FHLB-Atlanta portion of the funds. These funds should be requested no later than 48 hours prior to the scheduled closing date.*

12. Is an inspection required to receive Community Heroes funding?

Yes. The property must pass a HouseCharlotte code inspection prior to receiving funds. This is a code inspection, not a complete home inspection. For your protection, it is highly recommended that you get a full home inspection from a reputable licensed inspector.

The initial code inspection, along with one additional re-inspection, is provided at no charge to the borrower. If additional inspections are needed for any reason, the contact person on the Inspection Request Form will be responsible for payment to the Inspector at the time of re-inspection(s). For new construction homes less than 6 months old, a Certificate of Occupancy (CO) is also required.

In lieu of the HouseCharlotte inspection, buyer(s) have the option, at the buyer's cost, to hire an independent, licensed NC Home Inspector. However, this Inspector must complete the HouseCharlotte Minimum Housing Code form along with their normal inspection form. Both should be forwarded to HouseCharlotte upon completion. This document, as well as the HouseCharlotte Inspection Request form can be found on the website.

Borrowers should use caution in relying solely on the HouseCharlotte inspection. The HouseCharlotte inspection is a code inspection only, generally used to identify code violations only. For your protection, it is highly recommended that borrowers hire their own reputable, licensed inspector to complete a full structural/mechanical home inspection (at the buyer's cost), in addition to the HouseCharlotte code inspection.

13. Who would I contact to take the homebuyer education course and counseling that is required for the Community Heroes program?

Pre-Purchase Counseling & Homebuyer Education totaling a minimum of 8 hours is required to participate in the program.

Training

Borrowers must contact one of the homebuyer education providers listed below to register for the required training. Due to COVID-19, in-person training is not being offered, however both providers are offering supplemental training & Counseling virtually to ensure customers reach the minimum 8hr requirement when combined with online education.

1. Homeownership Center of Charlotte | 704-342-0933, or
2. Prosperity Unlimited, Inc. | 704-933-7405

Four hours credit is given for online education from one of the below providers.

1. eHome America (www.ehomeamerica.org)
2. FRAMEWORK (www.frameworkhomeownership.org)

A certificate is provided upon completion of the virtual and online education and counseling.

14. When should I take the course?

The homebuyer education certificate is good for one year. It is recommended you take the course as soon as possible, as you will gain a wealth of information on homeownership. It is not required that you have a home identified prior to taking the course, however, you will need to complete the course before you can close and receive HouseCharlotte downpayment assistance funds. Keep in mind that the certificate you will receive upon completion is valid for one year.

15. Is everyone listed on the mortgage required to take the course?

Yes.

16. Should I contact the Community Heroes loan representative in reference to my loan status?

No. To expedite the Community Heroes application processing, buyers should direct any questions or requests for status updates to their loan officer. The loan officer or real estate agent will be in contact with the representatives of HouseCharlotte/Community Heroes on your behalf.

17. How long will the Community Heroes program be available?

The Community Heroes program is a unique partnership between the City of Charlotte and FHLB-Atlanta. The program is available for a limited time and is based on funding availability at any given time.

18. Who administers the program?

The program is administered by the Charlotte Mecklenburg Housing Partnership (CMHP). Please email the CMHP team if you have questions, at HouseCharlotte@cmhp.org.

19. How can I learn more about the Community Heroes program?

To learn more, please visit housecharlotteprogram.com or call 704-705-3999.

These frequently asked questions are not intended to be a complete list of all program requirements. Interested applicants should talk to their lender and visit the housecharlotteprogram.com webpage for all program details