



Dover First Start Homeownership Downpayment and Settlement Assistance Program

The City of Dover First Start program is intended to encourage homeownership in the City of Dover. The program assists low- and moderate-income families with down payment and settlement costs on eligible properties in the City of Dover Limits.

QUALIFICATIONS

- Buyer must be a first-time homebuyer, defined as an individual who has not owned a home within the past three (3) years.
- Buyer must have at least \$1,000.00 cash (excluding gift money).
- The home to be purchased must be the principal residence of the buyer.
- Buyer must complete a homeownership counseling program with a certified HUD Counselor prior to closing. Funding will not be reserved until buyer has been approved for a mortgage.
- First mortgage must be held by a lender approved by the program.
- Buyer must have a credit score of 620 and above to be eligible for the program.
- All existing properties must undergo a home inspection conducted by an independent home inspector licensed by the City of Dover. Any major defects identified in the inspection report must be fully corrected prior to closing. All repairs must be completed in compliance with all applicable local codes, permitting requirements, and inspection standards.
- New construction properties must be covered by a one-year warranty that meets HUD requirements.
- A visual assessment for lead-based paint must be conducted on all homes built prior to 1978.
- Income limits must be between 60% and 80% of the area's median income to be eligible for assistance based on household size for the City of Dover as defined by HUD.
- Buyer cannot have more than \$20,000 in cash or cash equivalent assets at the time of application.

GRANT TERMS

No cash back will be given to the buyer at settlement. Additional funds will be returned to the City of Dover.

Assistance is for up to \$20,000 of settlement costs (no more than 50% of lender's required down payment can be applied).

Grant funding will be available on a first-come, first-served basis. When funds run out, qualified buyers will be placed on a wait list for the next round of CDBG funding.

The city will place a second mortgage lien on the property, and if the home is sold, transferred, or the property ceases to be the borrowers' principal residence within the first ten years, a percentage of the grant becomes due and payable. Grant is fully forgiven after ten years.

WHO SHOULD I CONTACT?

For more information, please contact Debbie O'Brien in the Community Development Office at (302) 736 - 7175 or send an email to dobrien@dover.de.us.