



HOMEOWNERS SECOND MORTGAGE ASSISTANCE PROGRAM

TCDC Program Fact Sheet

The City/TCDC Second Mortgage Assistance program combines two low-interest mortgage loans to make the purchase of a home affordable for moderate income households. The monthly house payment is based only on the amount of the first mortgage loan. Payments on the second mortgage loan do not begin until the first is paid in full. The program does require that an applicant make a downpayment on the home of 3% of the sales price in addition to paying the first \$1,000 of closing costs. Following are the basic eligibility requirements of the TCDC program:

1. Be a first-time homebuyer (not owned a home for three preceding tax years);
2. Have an annual household income of at least \$16,000 and no more than \$44,280 (\$33,210 for single persons with no dependents);
3. Provide evidence that you have or can obtain the required amount for downpayment and closing costs;
4. Be a reasonable credit risk with the financial ability to obtain a mortgage loan.

The TCDC program is limited to the East Winston, Kimberly Park and West Salem Neighborhoods.

All applicants must be pre-screened by the Housing Neighborhood Development Department. Appointments can be made by calling 727-8595 and applicants must bring the following information with them to their scheduled appointment:

Current check stub
Current credit report
Bank/Credit Union statements

Federal tax forms: prior 3 years
Prior year W-2 form(s)
List of monthly bills/balances

City/TCDC Second Mortgage Program Cost and Cash Requirements

The City/TCDC program combines two low-interest mortgage loans to make the purchase of a home affordable for low-moderate income households. An applicant's borrowing capacity is based only on the amount of the first mortgage loan, thereby allowing applicants with lower incomes to qualify to purchase a home.

The first mortgage amount will equal 70% of the cost of the home (after 3% downpayment) and is borrowed from Twin City Development Corporation (TCDC) at an interest rate of 8.45% for fifteen years. The remaining 30% is borrowed from the City of Winston-Salem at a rate of 5% for five years. Payments on the second mortgage amount do not begin until the first mortgage is paid in full.

The program requires the applicant make a 3% (of sales price) downpayment plus pay the first \$1,000 of closing costs. The remaining closing costs can be financed with the first and second mortgage loans.

Following is an example of cost and cash requirements for a \$58,000 home with excess closing costs financed:

Mortgage Example

\$58,000	Sales Price	
- 1,740	3% Downpayment	
\$56,260	Sub-total Loan Amount	
640	Estimated closing costs to be financed	
\$56,900	Total Loan Amount	
	x 70% = \$39,830	First mortgage loan at 8.45% for 15 years
	x 30% = \$17,100	Second mortgage loan at 5.00% for 5 years

Estimated Cash Requirements

\$1,740	3% Downpayment (Paid to seller at contract execution)
1,000	Required Closing Costs (Paid to attorney at closing)
290	Appraisal, credit report fees (Paid to WMC at application)
\$3,030	Total Cash Requirements

Estimated Monthly Payment

\$ 391	Principal & interest payment
75	Estimated escrow for taxes & insurance
\$ 466	Total estimated monthly payment



MORTGAGE PROGRAMS (NEW AND EXISTING HOMES)

Twin City Development Corporation (TCDC) Second Mortgage Assistance Program

Intended Use

- to fund home mortgages for first-time homebuyers within selected redevelopment areas

Eligible Recipients

- first-time homebuyers, maximum annual income of \$43,320 for family of four*

Maximum Loan Amounts

- \$55,000 to \$70,000

Type of Financing, Terms And Interest Rates

- first mortgage: 8.45% interest rate, 15 year term
- second mortgage: 5% interest rate
- 3% downpayment required

Contact

Housing/Neighborhood Development Department
City of Winston-Salem
225 West 5th Street
Winston-Salem, N.C. 27102
(919) 727-8575

*Income limitations are subject to change annually

Buy-Rehab Program

Intended Use

- purchase-rehabilitation of residential structures citywide

Eligible Recipients

- first-time homebuyers, maximum annual income of \$28,900 for a four person family*

Maximum Loan Amounts

- \$80,000

Buy-Rehab Program (cont'd.)

Type of Financing, Terms and Interest Rates

- 3% annual interest rate

Contact

Housing Services Department
City of Winston-Salem
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Wachovia NRP/NRP Tandem

Intended Use

- for purchase of existing or newly constructed homes
- for purchase and rehabilitation of homes to be owner-occupied

Eligible Recipients

- available Citywide
- maximum annual income of \$33,200
- not limited to first-time homebuyers

Maximum Loan Amounts

- \$80,000 at a discounted market interest rate based on loan-to-value ratio

Type of Financing, Terms and Interest Rates

- 15 to 30 year terms with a 3% downpayment
- NRP Tandem involved City of Winston-Salem Second Mortgage
- interest rates as low as 6% based on borrower's income
- program funded by Wachovia Bank
- borrowers with incomes in excess of "Buy-Rehab" limit funded through NRP Tandem Program for assistance

Contact

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REHABILITATION PROGRAMS

Community Development Rehabilitation (Community Development Target Areas)

Intended Use

- rehabilitation in Community Development target areas

Eligible Recipients

- owner/occupants, maximum annual income of \$36,100 for family of four*
- investors

Maximum Loan Amounts

- for owner/occupants: \$27,500
- for investors: \$27,500 per unit

Type of Financing, Terms And Interest Rates

- for owner/occupants: interest rate varying from 0% to prime depending on income of borrowers
- for investors: interest rate of 9%

Contact

Housing Services Department
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*Income limitations are subject to change annually

Emergency Residential Rehabilitation Program

Intended Use

- to remove or correct housing conditions that are an imminent threat to health and safety

Emergency Residential Rehabilitation Program (cont'd.)

Eligible Recipients

- income limit: 80 percent of U.S. Department of Housing and Urban Development established median income

Maximum Loan Amounts

- \$27,500 per unit

Contact

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Handicapped Program

Intended Use

- to remove architectural barriers in homes of the handicapped citywide

Maximum Assistance Amounts

- up to \$12,500

Type of Financing, Terms And Interest Rates

- first \$5,000 in form of grant
- up to \$7,500 loan at 0% to prime interest based on the income of the recipient

Contact

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