



CITY/TCDC SECOND MORTGAGE ASSISTANCE PROGRAM

Program Description

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. An applicant's borrowing capacity is based only on the amount needed for the first mortgage loan, thereby allowing applicants with lower incomes to qualify to purchase a home.

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 requires that an 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 if the applicant's borrowing capacity is sufficient. 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 \$19,000 and no more than \$47,160 (\$35,370 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.

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 | Federal tax forms: prior 3 years |
| Current credit report | Prior year W-2 form(s) |
| Bank/Credit union statements | List of monthly bills/balances |

Construction of home under the City/TCDC program is limited to designated areas of the East Winston, Northeast Winston, Kimberly Park and West Salem neighborhoods. It's the perfect time to build, so make your appointment now for pre-qualification to select the lot of your choice.

*Maximum income limits subject to increase July 1, 1994.

Lots/Properties Available for Sale

Lease-purchase program-New homes will be constructed in the Northeast Winston #1 redevelopment area, on scattered lots along 19th, 20th and 21st Streets between Cleveland and Jackson Avenues. Several of these homes will be reserved for sale under the lease-purchase program, which is designed to assist those persons who have sufficient income to qualify for a mortgage loan but need time to resolve past credit problems and/or save for a downpayment.

Providence Place-Formerly Goshen Place, approximately 30 lots remain in this new single-family development located at West 14th and Trade Streets. A variety of floor plans are available to fit your family's needs.

Salem Pointe-Currently available are two (2) townhouse units, both featuring 2 bedrooms with walk-in closets and cathedral ceiling in master bedroom, 2 and 1/2 baths, kitchen, dining room, and living room with gas log fireplace.

East Winston #5-Lots in the East Winston #5 redevelopment area, bounded by 14th Street on the south, 18th Street on the north, Cleveland Avenue on the west and Jackson Avenue on the east, are ready for selection by pre-qualified applicants.

ESTIMATED COST AND CASH REQUIREMENTS

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

Mortgage Example		Estimated Cash Requirements	
\$58,000	Sales Price	\$1,740	3% downpayment (To seller at contract execution)
-1,740	3% downpayment	1,000	Required closing costs (To attorney at closing)
\$56,260	Sub-total loan amount	340	Appraisal, credit report fees (To lender at application)
+ 840	Estimated closing costs to be financed	\$3,080	Total estimated cash requirements
\$57,100	Total loan amount		

x 70% - \$40,000 First mortgage loan at 8.75% for 15 years
x 30% - \$17,000 Second mortgage loan at 5.00% for 5 years

Estimated Monthly Payment	
\$ 400	Principal & interest payment
90	Estimated escrow for taxes & insurance
\$ 490	Total estimated monthly payment



MORTGAGE PROGRAMS (NEW & 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, NC 27102
(910) 727-8575

*Income limitations are subject to change annually

Buy-Rehab Program

Intended Use

purchase-rehabilitation of residential structures city-wide

Eligible Recipients

first-time homebuyers, maximum annual income of \$31,450 for a four person family*

Maximum Loan Amounts

\$60,000

Tandem Loan Program

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
first-time homebuyers

Maximum Loan Amounts

\$60,000 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
program funded by Bank Consortium & City of Winston-Salem
7.7% interest rate

Contact

Housing Services Department
City of Winston-Salem
225 West 5th Street
Winston-Salem, NC 27102
(910) 727-8595



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 0% to 9%

Contact

Housing Services Department
City of Winston-Salem
225 West 5th Street
Winston-Salem, NC 27102
(910) 727-8595

*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

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

Housing Services Department
City of Winston-Salem
225 West 5th Street
Winston-Salem, N.C. 27102
(910) 727-8575

Handicapped Program

Intended Use

to remove architectural barriers in homes of the handicapped citywide

Maximum Assistance Amounts

up to \$12,500

Types of Financing, Terms And Interest Rates

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

Contact

Housing Services Department
City of Winston-Salem
225 West 5th Street
Winston-Salem, NC 27102
(910) 727-8595