



City of Phoenix
City of Phoenix Homebuying Program
Homebuyer Checklist and Guide

City of Phoenix eligible homebuyers receive \$15,000 to use for closing costs and partial down payment to purchase a home in the **City of Phoenix Infill Program**. Below are the basic eligibility requirements and a checklist of the steps homebuyers take to become program eligible. More detailed information on eligibility and each step can be found on the following pages.

Eligibility Requirements

- Homebuyer(s) annual household income cannot exceed the amounts below, based on household size.

Household Size	1	2	3	4	5	6	7	8
NSP Maximum Household Income * (120% of Median)	\$78,550	\$89,750	\$101,000	\$112,200	\$121,200	\$130,150	\$139,150	\$148,100
CDBG Maximum Household Income * (80% of Median)	\$52,400	\$59,850	\$67,350	\$74,800	\$80,800	\$86,800	\$92,800	\$98,750

* Maximum income limit is determined by loan or project funding source. Phoenix Customer Advisory Services or Housing Counseling agency can help determine which limit applies to available inventory.

- Homebuyer(s) contributes half of the required cash down payment or a minimum of \$1,000 of own funds, whichever is greater.
 - Homebuyer(s) cannot be on the title of any residential property.
 - Homebuyer(s) must be a permanent legal resident of the U.S.
 - Homebuyer(s) must be free and clear of all unpaid collection accounts at time of closing. Documented payment plans with payment history may be approved if collection account is under \$2,500.
- STEP 1:** Homebuyer contacts a lender for a home mortgage and obtains a loan pre-qualification letter.
- STEP 2:** Homebuyer contacts a HUD certified housing counseling agency (see page 5), to schedule a 2 hour One-on-One Credit Counseling session.
 Appt Date: _____ Agency: _____
- STEP 3:** Homebuyer contacts a HUD certified housing counseling agency to schedule an 8 hour Homebuyer Education class.
- STEP 4:** Housing counselor sends the homebuyer’s complete pre-qualification package to the City Loan Administrator.
- STEP 5:** City Loan Administrator reviews homebuyer's eligibility, once they receive a complete pre-qualification packet. City Loan Administrator will execute a Homebuyer Eligibility Letter if the homebuyer is deemed eligible for the program.
 Eligibility Letter Date: _____ Expiration Date: _____
- STEP 6:** Homebuyer works with a real estate professional to submit an offer on a program eligible property.
- STEP 7:** Homebuyer verifies with their real estate agent that a copy of the purchase contract has been sent to the Property Listing Agent and the City Loan Administrator.
- STEP 8:** City Loan Administrator performs the city’s due diligence regarding the assistance loan(s).
- STEP 9:** Homebuyer ensures their lender has sent all the loan documents to the title company.
- STEP 10:** City Loan Administrator contacts the homebuyer to schedule a Pre-close session to sign the loan documents.
 Appt Date: _____
- STEP 11:** Homebuyer arranges an appointment with the title company to sign the closing documents for the first mortgage of their new home.
 Appt Date: _____

For assistance, contact Phoenix Customer Advisory Services at 602-262-6602 or e-mail nsd.cd@phoenix.gov



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CITY OF PHOENIX HOMEBUYER GUIDE

- ❖ City of Phoenix eligible homebuyers receive a \$15,000 homebuyer assistance loan to use towards partial down payment, reasonable and customary closing costs, a home warranty, and first mortgage principal loan reduction to purchase a City of Phoenix Infill Home that has been newly constructed by city of Phoenix program partners.

The following detailed information will help you navigate the process to open your window to homeownership and become eligible for the City's homebuyer assistance funds. For help, please contact Phoenix Customer Advisory Services at **602-262-6602 (711 for TDD/TTY service) or e-mail nsd.cd@phoenix.gov.**

Homebuyer Eligibility Requirements

- Homebuyer(s) annual household income cannot exceed the amounts below, based on household size (anyone living in the house) and funding program. In determining income, all wages and other sources of income for all household members age 18 and older are considered. City of Phoenix program income requirements are different than Lender income requirements.

Household Size	1	2	3	4	5	6	7	8
NSP Maximum Household Income * (120% of Median)	\$78,550	\$89,750	\$101,000	\$112,200	\$121,200	\$130,150	\$139,150	\$148,100
CDBG Maximum Household Income * (80% of Median)	\$52,400	\$59,850	\$67,350	\$74,800	\$80,800	\$86,800	\$92,800	\$98,750

* Maximum income limit is determined by loan or project funding source. Phoenix Customer Advisory Services or Housing Counseling agency can help determine which limit applies to available inventory.

- First mortgage debt to income ratios must be at or below 31 percent / 43 percent - aligned with FHA standard guidelines. If buyer is using an Energy-Efficient Mortgage (EEM) product or buying an energy efficient certified home, the ratios may be increased to 33 percent / 45 percent.
- First mortgage term is 15- or 30- year fixed-rate, fully amortizing.
- Homebuyer(s) must contribute half of the required cash down payment or a minimum of \$1,000 of own funds, whichever is greater. Gifted funds are not allowable towards down payment contribution.
- Homebuyer(s) cannot be on the title of any residential property.
- Homebuyer(s) must be a permanent legal resident of the U.S.
- Funds will be secured by a promissory note and recorded subordinate deed of trust.
- Funds will be paid directly to the title company. Excess funds will be applied to reduce the first mortgage loan amount.
- Homebuyer(s) must be free and clear of all unpaid collection accounts at time of closing. Documented payment plans with payment history may be approved if collection account is under \$2,500.

STEP 1: Homebuyer contacts the lender of their choice for a home mortgage loan.

- A. Homebuyer provides income documentation, per the lender's instruction.
- B. Lender and homebuyer verify the homebuyer(s) income and that the loan meets city program parameters. Good credit is needed to qualify for most loan programs and you must maintain good credit through the process. Don't make any major purchases until after the closing of your home purchase.
- C. Lender issues a loan pre-qualification letter, which they provide to the homebuyer's housing counselor.
- D. Homebuyer follows up with their housing counselor to receive the results.

Tip: Step 1, 2, & 3 can be worked on at the same time

STEP 2: Homebuyer contacts a HUD certified housing counseling agency to schedule a 2 hour One-on-One Credit Counseling.

- A. The following documentation is required for every wage earner, 18 years and older, in the household:
 1. Most recent three years of tax returns. Not required of family members who are dependents.
 2. Most recent 30 days of paycheck stubs.
 3. Most recent two months of bank statements, 401k statements, and all asset statements.
 4. Other sources of income (i.e. child support, social security, disability, etc.).

HUD Certified Housing Counseling Agencies

Administration of Resources and Choices (ARC)	5800 W. Glenn Dr., Suite 330, Glendale 85301	602-374-2226	arc-az.org
Chicanos Por La Causa (CPLC)	1402 S. Central Ave., Bldg A, Phoenix 85004	602-253-0838	www.cplc.org
Greater Phoenix Urban League	1402 S. Seventh Ave., Phoenix 85007	623-239-1451	www.gphxul.org
Newtown Community Development Corp	2106 E. Apache Blvd., #112, Tempe 85281	480-517-1589	www.newtowncdc.org
Trellis	1405 E. McDowell Road, #100, Phoenix 85006	602-258-1659	www.trellisaz.org

STEP 3: Homebuyer contacts their HUD certified housing counseling agency to schedule an 8 hour Homebuyer Education class (see attached list of HUD Certified Housing Counseling Agencies that offer Homebuyer Education classes).

This step must be completed before closing escrow on a program home.

STEP 4: Once the homebuyer is deemed eligible for the program, the housing counselor forwards the homebuyer's pre-qualification packet to the City Loan Administrator, which includes:

- A. Pre-qualification documentation from the lender
- B. Income / Tax / Assets documentation
- C. Credit Report
- D. Other required compliance documentation

STEP 5: The City Loan Administrator determines the homebuyer's eligibility, once they receive a complete pre-qualification package from the housing counseling agency and any necessary documents from the homebuyer's lender.

- A. The City Loan Administrator will review the pre-qualification packet and, if deemed eligible, issue an eligibility letter within ten days after receiving the complete pre-qualification packet. Missing documentation may cause a delay. The homebuyer is **NOT** eligible for the program until they receive a letter from the City Loan Administrator indicating eligibility.

Tip: In order to avoid extra costs and delays, it is recommended that the buyer obtain an eligibility letter from City Loan Administrator as early in the process as possible.

STEP 6: Homebuyer works with a real estate professional to find a qualified City of Phoenix Infill Program property:

- A. Provide the real estate agent with your price and monthly payment expectations, along with a copy of your DU Approval or CLA.
- B. City of Phoenix infill homes for sale can be found on the [ARMLS](#).
- C. Once a home is found, enter into a purchase contract with the seller.
- D. The real estate agent gathers the required City Infill Program addenda to include with the contract (Addenda information is included in your purchase contract).
- E. Be prepared to contribute half of the required cash down payment (or a minimum of \$1,000 of own funds, whichever is greater). The homebuyer assistance funds first go towards closing costs and then the balance is used to reduce the loan amount. No funds will be returned to homebuyer.
- F. Homebuyer must purchase a 1-3 year home warranty policy in the City of Phoenix Infill Program (max \$500 per year). The cost will be paid from the \$15,000 assistance loan.

STEP 7: Homebuyer reviews and completes the contract packet with their real estate agent and verifies the agent has forwarded a copy of the complete, executed purchase contract to the City Loan Administrator, 200 W. Washington St., 4th Floor, Phoenix, AZ 85003. Phone: 602-262-6602 and Fax: 602-534-1555.

STEP 8: City Loan Administrator performs the due diligence, as follows:

1. Collects all relevant data and documents.
2. Prepares escrow instructions for the title company.
3. Reviews the ALTA Settlement Statement and prepares the City homebuyer assistance loan documents.

Tip: Close of escrow will take approximately 60 days from accepted contract, but is dependent on the time it takes the lender to submit the appraisal and final underwriting on the first mortgage, to City Loan Administrator. An incomplete purchase contract and mortgage lender delays are the most common causes for delays.

STEP 9: Homebuyer needs to ensure the lender has sent all first mortgage loan documents to City Loan Administrator and the title company, 10 business days prior to the close of escrow date. City Loan Administrator will coordinate with the title company to complete the sale.

STEP 10: City Loan Administrator contacts the homebuyer to schedule a pre-close session, which includes:

- A. Review of the ALTA Settlement Statement that is an itemized list of funds paid at closing, including real estate commissions, fees, and initial escrow (impound) amounts.
- B. Review and sign the City loan documents and other required documentation before sending to the title company.

Tip: Allow a minimum of 10 business days prior to COE for the city to approve and the title company to receive the City loan documents.

STEP 11: Homebuyer arranges an appointment with the title company to sign the closing documents for the first mortgage of their new home.

CONGRATULATIONS! YOU HAVE JUST BECOME A HOMEOWNER!



*Please note that this Guide and hyperlinked documents referenced within can be found at <https://www.phoenix.gov/nsd/programs/nsp/homebuyer-eligibility>.

*This program, offered through the City of Phoenix, provides eligible buyers with a \$15,000 loan to use toward the purchase of eligible homes. The remaining balance may be applied to the principal of the first mortgage loan. The loan is 0% interest with deferred payment. The assistance loan to purchase a City of Phoenix Infill home is forgivable over 15 years.

Phoenix Homebuying Program

HUD Approved Housing Counseling Agencies

Administration of Resources and Choices (ARC) 5800 W. Glenn Dr., Suite 330 Glendale, AZ 85301 arc-az.org	602-374-2226	Hours: 8 a.m. to 4 p.m. Mon.-Fri. Monthly Homebuyer Education Classes: Twice monthly in English and Spanish Call for schedule or contact for individual classes
Chicanos Por La Causa (CPLC) 1402 S. Central Ave., Bldg A Phoenix, AZ 85004 www.cplc.org	602-253-0838	Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Homebuyer Education Classes: 1 st Saturday, 8:30 a.m. – 5:30 p.m. 3 rd or 4 th Saturday, 8:30 a.m. – 5:30 p.m. (Spanish) Check website for schedule
Greater Phoenix Urban League 1402 S. Seventh Ave. Phoenix, AZ 85007 www.gphxul.org	623-239-1451	Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Homebuyer Education Classes: Last Saturday, 8 a.m. – 5 p.m.
Newtown Community Development Corp. 2106 E. Apache Blvd., Suite 112 Tempe, AZ 85281 www.newtowncdc.org	480-517-1589	Hours: 8 a.m. to 5 p.m. Mon.-Thurs. 8 a.m. to 4 p.m. Fri. Offers One-on-One credit counseling. Homebuyer Education Classes offered online only in English and Spanish (online certification is eligible for City programs at Homebuyer cost)
Trellis 1405 E. McDowell Road, Suite 100 Phoenix, AZ 85006 www.trellisaz.org	602-258-1659	Hours: 8 a.m. to 5 p.m. Mon.-Fri. Monthly Homebuyer Education Classes: Orientation: 2 nd & 4 th Monday, 6–7 p.m. 8 Hr Class: 1 st & 3 rd Saturday, 8 a.m. – 5 p.m. Classes held in Spanish once each quarter Check website or call for schedule
All HUD Certified Housing Counseling Agencies listed above provide One-on-One Credit Counseling and Homebuyer Education Classes for the City of Phoenix Infill Homebuying Program.		

**Schedules and fees might vary by agency.
Please contact the agencies directly to verify costs
and to schedule appointments.**



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City of Phoenix Infill Homebuying Program Required Financial Documents Checklist

The following documents need to be provided to the housing counselor when the homebuyer attends their one-on-one credit counseling session and to the City Loan Administrator for program eligibility determination. Please note that you will need to provide updated documents with the most current information (paystubs, bank statements, etc.) in order for the City Loan Administrator to determine program eligibility.

From the Homebuyer(s):

2 forms of Identification (at least 1 Federal ID): for **all household members over the age of 18**

Current Pay Stubs: Most recent consecutive pay stubs for the past 30 days (or Notarized Affidavit of Zero Income) for **all household members over 18**.

Other Income Documentation for **all household members**:

Social Security Income Disability Income Child Support or Adoption Subsidy
 Alimony Unemployment Pensions
 Workman's Comp Self-Employment Profit & Loss

Recent two month's statements for **all household member** assets including:

Bank Accounts Retirement Accounts, IRA, Stocks, etc.

Federal Income Tax Return & W2's for the past 3 years for **all household members over 18**

Divorce Decree, Child Support Court Order, and/or Adoption Subsidy documentation (*If applicable*)

Bankruptcy documentation and/or Collections information / payoff / release (*If applicable*)

From Your Lender:

Loan Application (1003) to verify names, loan amount, assets & liabilities match

Loan Transmittal Summary (1008) to ensure housing ratio requirements are met

Loan Estimate (LE) & Truth-in-Lending (TIL) Statement

Closing Cost Estimates Worksheet

Loan Pre-qualification including Purchase Power Amount \$ _____

Credit Report/s for all applicants

LENDERS PLEASE NOTE:

An estimated amount of closing costs is needed for a buyer to be deemed program eligible prior to purchasing a property. The city assistance dollar amount of \$15,000 (**plus any additional subsidy borrower is receiving**) should be entered into Subordinate Financing on the 3rd page (Details of Transactions) of the Uniform Residential Loan Application (1003). The funds are a lien, **not** an asset to the borrower.