

Down Payment Assistance Program **Important Information for Buyers**

Community Partners for Affordable Housing (CPAH) is a nonprofit organization that develops affordable housing and provides services that empower individuals and families to secure and retain quality housing. Our vision is threefold: (1) thriving communities, (2) successful residents, and (3) a diverse range of housing to ensure everyone has a place to call home.

- 1) Down Payment, Closing Cost and/or Interest Rate Buy Down Assistance:** Assistance is up to 5% of the purchase price (capped at \$13,999). It is in the form of a 0%-interest deferred loan, with no monthly payments, forgiven at a rate of 1/60th every month starting 60 days after closing, and fully forgiven after five years plus 60 days in the property. Funds would come due upon sale, transfer of title, failure to occupy the home as your principal residence, or cash-out refinance.
- 2) Income Eligibility:** Gross annual household income may not exceed 80% of area median income, adjusted for household size (see table below):

Household Size	1	2	3	4	5	6	7	8
80% AMI	\$68,050	\$77,800	\$87,500	\$97,200	\$105,000	\$112,800	\$120,550	\$128,350
<i>Above effective as of 6/01/2026. Guidelines are determined by HUD and are adjusted annually.</i>								

- 3) Education & Counseling.** Complete a homebuyer education class with a HUD-certified agency (such as CPAH) and pre-purchase individual counseling with CPAH. CPAH homebuyer classes are held via zoom.
- 4) Underwriting Guidelines.** CPAH's guidelines include the below and will supersede the first mortgage lender's guidelines should there be a conflict between the two.
 - Must be a First-Time Homebuyer. Defined as any borrower that has not owned a home in the last 3 years. *Exceptions:* Displaced homemakers or single custodial parents who have previously owned a home with a former spouse.
 - Non-borrowing Spouse (*only if applicable*): A) A credit report will be pulled on a non-borrowing spouse for the purpose of collecting monthly debt amounts to be used towards CPAH's total debt-to-income ratio. B) A Verification of Employment will be requested by CPAH.
 - Property must be a 1-unit single family home (attached or detached) located in Lake County, Illinois and have a maximum purchase price and value below \$408,500.
 - Buyer must contribute a down payment of 1% or \$1,000, whichever is greater.
 - Buyers pay a processing fee to CPAH to help offset program costs that is equivalent to 10% of the total assistance, but not to exceed \$500. This cost will be paid at closing through the title company.
 - No Cash Back: Under no circumstances will the buyer be allowed cash back at closing. Any additional funds must be applied toward principal reduction.

- Debt-to-income ratio (DTI) must not exceed 45%. *Generally, DTI is how much of a borrower's gross income is being used toward the total mortgage payment and additional debt—debt typically reported on a credit report. However, for the DAP program, a non-borrowing spouse's income and debt is also considered.*
- Reserves: Buyer must demonstrate a minimum of \$2,000 of reserves to handle unforeseen circumstances plus the amount anticipated to bring to closing. *Checking, savings, and retirement accounts are all acceptable forms of reserves.*
- All buyers must be U.S. Citizens or a Documented Permanent Resident. Visa holders are not eligible.
- Home inspection required (unless a new construction property with an occupancy permit issued within the past 12 months); any code violations or significant health, safety or structural issues must be repaired prior to closing.
- Must qualify for financing with a CPAH participating lender (you can request a current list via phone or email).
- Excluding funds in college savings, retirement accounts and special needs trust funds, buyers may not have liquid assets that exceed 100% of median family income (*check with CPAH staff for limits and additional information*)
- Gift funds toward the purchase may not exceed \$10,000.
- Maximum Combined Loan-to-Value (CLTV): *102% (*total loans cannot exceed 100% of the appraised value). *CLTV is the ratio of a loan compared to the value of the property.*
- *Collections/Judgments:* Buyers cannot have any open non-medical collections totaling more than \$2,000. Medical collections will be reviewed on a case-by-case basis. Judgments must be satisfied prior to closing.

Additional guidelines may apply. Check with CPAH staff.

Contact Information

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