

# City of Peoria - Down Payment Assistance Program Policies and Procedures

## INTRODUCTION

### **Program Description**

The City of Peoria is accepting applications for the 2022 Down Payment Assistance Program. The program will provide homebuyers within Qualifying Census Tracts (QCTs) down payment assistance of either \$5,000 or up to 10% of the purchase price of a single-family home purchase. For a home purchase to qualify for the program, the property must be within a QCT, and the purchase price must be at or below \$125,000 with a primary mortgage.

The assistance is secured with a 2-year retention period beginning on the closing date and with a recorded forgivable mortgage. If the owner no longer resides at the property or sells it to a new owner within the retention period, a prorated amount of the assistance will be due to the City. A release of the mortgage document will be delivered to the property owner upon completion of the retention period, and it will be the responsibility of the owner to record the document.

The assistance does not limit the homebuyer from seeking other qualifying programs or using personal funds as additional down payment. The City will send the assistance payment directly to the closing company or closing attorney.

Assistance awards will be distributed on a first come, first served basis until the programing funds are exhausted. All application materials must be completely submitted in order to qualify. Please note, submitting an application does NOT guarantee assistance.

Applications will be available beginning on **Friday, April 1, 2022**.

For questions, please contact [communitydevelopment@peoriagov.org](mailto:communitydevelopment@peoriagov.org) or (309) 494-8600.

## ELIGIBILITY

To be eligible:

- The house being purchased must be a single-family home located within a Qualifying Census Tract within the corporate boundaries of the City of Peoria.
- Total assistance is capped at either \$5,000 or up 10% of the purchase price of the home.
- The home purchase price must be at or below \$125,000.
- The homebuyer must have a signed contract for the home, an approved primary mortgage, and a closing company/attorney with a closing date.
- The homebuyer must agree to own and live at the home for at least 2 years after closing.
- The homebuyer may not owe any fines or fees to the City.

## APPLICATION AND SELECTION

Applications will be available beginning on **Friday, April 1, 2022**, and accepted until the program funding is exhausted. Residents can apply through the City's website and directly through Neighborly Software's site. Applicants that are unable to complete the online application can pick up a paper application at City Hall Room 203, Monday through Friday, 8:00 am – 12:00 pm.

## **City of Peoria - Down Payment Assistance Program Policies and Procedures**

After receiving the application City Community Development staff will check that the application is complete and that it includes all supporting documentation. A completed application will place a hold on the requested assistance dollars for that applicant for 90 days on the internal budget spreadsheet.

<b><u>SELECTED HOMEBUYERS</u></b>
-----------------------------------

A Community Development staff members will be assigned to review each application. For each application, the staff member will use GIS to confirm that the home being purchased is located in a City of Peoria QCT. They will review each application to determine if the application is complete and can be approved; missing documentation; or ineligible. Staff will verify that all supporting documentation meets the program standards, that the applicant has an approved mortgage, and that there is a closing date with a closing company or attorney for the purchase transaction.

The staff member will then contact each homebuyer by phone, email, and/or mail. They will also update the Down Payment Assistance Status spreadsheet, found in the shared drive, to the appropriate status. If an applicant who is missing documentation does not respond within one week, the staff member may contact the homebuyer to ensure that all documentation is submitted at least two weeks before closing, meeting program eligibility and access to funding. If the homebuyer does not supply missing documentation within 90 days of accepting the application, the homebuyer will be deemed ineligible. The staff member will change the applicant's status to "Denied" in Neighborly and on the Down Payment Assistance Status spreadsheet, adding status details as appropriate and returning the funds to the program's budget.

For each home purchase, the staff member will utilize the Down Payment Assistance Checklist located in the "Admin" section of Neighborly. This will allow the staff member to keep track of information that has been submitted and information that may be missing. Once all information has been submitted and it meets the program eligibility, the application is changed to "Approved" in Neighborly and on the Down Payment Assistance Status spreadsheet. The staff member will generate an "Approved" letter from Neighborly and contact the applicant explaining that they are approved for down payment assistance for their new home. Follow-up may be necessary if the purchase closing timeframe changes. Additional information and documentation may be necessary from the purchase closer to complete the assistance payment.

The assistance payment will not exceed \$5,000 and may be less if the \$5,000 exceeds 10% of the purchase price. Once a homebuyer is approved, the staff member will order a requisition for payment as well as pledge the amount to be paid to the closing company or attorney for the home's closing.

Once the purchase has closed, the Project Coordinator may obtain a copy of the recorded mortgage and store the document in Neighborly. The staff member will register each property receiving assistance at <https://recorder.peoriacounty.org/recorder/eagleweb/fraudGuardSignup.jsp> using [communitydevelopment@peoriagov.org](mailto:communitydevelopment@peoriagov.org) to receive notification if the property transfers ownership. The registration can be removed after the 2-year retention period expires.

# City of Peoria - Down Payment Assistance Program Policies and Procedures

## EQUAL OPPORTUNITY

*Civil Rights Compliance:* The Business agrees to comply with local and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107, and 12086.

*Nondiscrimination:* The Business agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

*Section 504:* The Business agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Business with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

## FREEDOM OF INFORMATION ACT

Because the grants are provided by a federal funding source, all information submitted in the application, including financial information, is subject to publication as part of the application process and/or subject to disclosure under the Freedom of Information Act.