



City of College Station

Community Services
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**DOWN PAYMENT ASSISTANCE PROGRAM
 INFORMATION SUMMARY**

Applicant's household income may not exceed 80% of the Area Median Household Income:

Household #	1	2	3	4	5	6	7	8
Max. Income	\$38,550	\$44,050	\$49,550	\$55,050	\$59,500	\$63,900	\$68,300	\$72,700

Application Fee: Applicants must pay a \$25 application fee at the time of application or pre-application.

Down Payment Assistance: Shared equity gap financing of up to 30% of the sales price capped at \$50,000 on any home for sale in the City of College Station is available. The assistance amount is determined by the borrower's demonstrated need or "financial gap." The loan is deferred and non-interest bearing. The buyer signs a note and deed of trust with the city. The percentage of equity repayable is determined by the assistance amount divided by the cost to acquire the property multiplied by the equity realized at time of sale. The original loan amount plus the shared equity amount is paid back upon sale of the property, or when the buyer ceases to owner-occupy.

Homebuyers must contribute a minimum of 1.5% of the total sales price of the home at closing (including earnest money).

Homebuyers must receive housing counseling provided by a HUD-approved counselor and housing counseling agency prior to closing.

Affordability shall be determined by ensuring the total PITI payment is not less than 20% but not more than 35% of the monthly income of the eligible homebuyer. The maximum total debt to income ratio is 45%.

Average credit score of no less than 600. No bankruptcies, foreclosures, student loan delinquencies, child support delinquencies, tax delinquencies, or repossessions within the past two years.

Minimum employment history in the same job, or in the case of professional, salaried employees, in the same field of employment for a minimum of six (6) months.

Applicants may not have more than \$20,000 in liquid assets, excluding retirement accounts and personal property.

Applicants must be U.S. Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens (Dept. of Homeland Security verification).

Lenders must be licensed in the state of Texas and provide escrow services to buyers for insurance and property taxes.

The mortgage interest rate may not exceed the local average mortgage rate by more than 1.5 points. The mortgage must be at least 15 years, have a fixed rate for the life of the loan, and be fully amortizing.

The maximum home price shall not exceed the exceed 95% of the median area purchase price for the same type of residence for the College Station/Bryan area.

A maximum of 30% of the DAP subsidy may go towards closing costs or points.

Homes constructed prior to 1978 must have passed a lead-based paint risk assessment by a State of Texas licensed Lead Risk Assessor.

Eligibility and approval is not determined until the city reviews the sales contract, lender information, and inspects the home.

Applicants are urged to complete the Down Payment Assistance application and approval process **prior to making an offer** to purchase. The Down Payment Assistance application and approval process normally takes three weeks. Delay in submitting required documentation will delay the closing date. Only Owner-Occupied or vacant homes may be purchased, unless the DAP participant is the tenant. **Tenant-occupied homes may not be purchased.**