

ADFA Down Payment Assistance Programs

ADFA has three types of down payment assistance to help aspiring homebuyers pay for down-payment and closing costs when buying a home.

- ▶ Household income limits may apply.
- ▶ Must use an approved lender. A list of approved lenders can be found on ADFA's website at <http://adfa.arkansas.gov/participating-single-family-lenders> .
- ▶ Must qualify for a first mortgage with an approved ADFA lender.

Move-Up Choice

1

The ADFA “**Move-Up Choice**” Single Family Loan Program is a first mortgage that offers the home-buyer a grant of 4% of their loan amount funded by a slightly higher interest rate. It can be used to pay closing costs and prepaids, down payment or even pay off a debt at closing to help qualify for a loan.

The “Move-Up Choice” is available to both first-time and repeat homebuyers in Arkansas. And when using an “ADFA Move-Up Choice” loan, qualified borrowers may combine it with an ADFA Mortgage Credit Certificate (ADFA MCC)

Down Payment Assistance (DPA)

2

DPA is available through ADFA for qualifying applicants of an “ADFA Move-Up” first mortgage.

The DPA ranges from \$1,000 to \$6,000 for down payment and closing cost assistance. Cash back is also allowed to borrowers for expenses paid outside of closing.

INTEREST RATE: 4% (subject to change without notice)
TERMS: 10 Year Amortization

Arkansas Dream Downpayment Initiative (ADDI)

3

The **Arkansas Dream Downpayment Initiative (ADDI)** is down payment assistance provided through HOME Program funding by HUD. With ADDI, **qualifying low-income Arkansans** can be provided up to 6% of the purchase price of their home, not to exceed \$10,000. It is a second mortgage loan with no monthly payment and is forgivable over five years.

ADDI can be used with an “ADFA Move-Up” first mortgage and also with the ADFA Mortgage Credit Certificate (ADFA MCC) Program .