

Highlights of the City of Frisco Targeted Down Payment Assistance Program

The Targeted Down Payment Assistance Program provides forgivable loans of **up to \$10,000** to qualified homebuyers for the purpose of down payment and closing cost assistance.

- Eligible households must be first time homebuyers (with some exemptions).
- Families with at least one adult working full time for the City of Frisco or Frisco ISD can be assisted in purchasing a home in Frisco.
- The Targeted Down Payment Assistance Program can be used with other First Time Homebuyer Programs to help make homeownership possible for almost everyone.



City of Frisco Community Development

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<https://www.friscotexas.gov/680/Down-Payment-Assistance-Program>



PROGRESS IN MOTION

Targeted Down Payment Assistance Program

City of Frisco
and
Frisco ISD Employees



Program Overview

The City of Frisco Targeted Down Payment Assistance Program is designed to help low-and moderate-income individuals employed by the City of Frisco or Frisco Independent School District in the purchase of a home in the City of Frisco. The \$10,000 forgivable loan can be used for:

- down payment
- closing costs
- prepaids
- discount points

Terms/Financing

- The Targeted Down Payment Assistance (TDPA) loan will be provided at zero percent (0%) interest as a 5-year deferred forgivable loan. The homebuyer is required to live in the home for five (5) years, beginning with the execution date of the promissory note. A verification of employment is conducted and twenty percent (20%) of the amount will be forgiven for each full year the buyer resides in the home.
- Each year's forgivable amount, 20%, is reported as a non-cash income. For City of Frisco employees, it will be accounted for on your bi-weekly paycheck. An annual 1099 form will be provided for Frisco ISD employees.
- The unforgiven portion of the loan must be immediately repaid if, within the loan period:
 - the house is sold,
 - the house is re-financed (to cash-out), or
 - the house is no longer the homeowner's primary residence.

Applicant Eligibility

- Combined household income of all adults may not exceed \$144,567
- One (1) applicant must be a full-time employee of the City of Frisco or Frisco Independent School District for a minimum of six (6) months.
- Be a first-time homebuyer (defined as not having owned a home within the last three (3) years). See our program policy for exemptions.
- Provide at least 1% of the purchase price from personal funds (**not from other programs or assistance**).
- Attend a HUD-approved homebuyer education course and counseling session.
- Occupy the property as the primary residence.

Property Eligibility

- The property must be located within the City limits of Frisco. This is determined by whether the City of Frisco is the billing municipality for water.
- The sale price of the property must not exceed \$563,500.



Application Process

Step 1: Contact a lender to determine your ability to qualify for a mortgage.

Step 2: Once the lender has qualified you for a mortgage loan, obtain a pre-qualification letter stating the amount for which you are qualified.

Step 3: Visit the City of Frisco website <https://www.friscotexas.gov/680/Down-Payment-Assistance-Program>

Review the program qualifications and if you believe you qualify, submit an online application and required documentation. Applications will be considered on a first come, first served basis from the time and date the complete application is received.

Step 4: The applicant must complete a City approved homebuyer training class and must submit a certificate of completion for each borrower prior to the closing date for funds to be released. Please register for the class at: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=TX>

Step 5: City staff will review the application for completion and determine applicant eligibility. If an applicant is determined to be eligible, City Staff will forward the application to the Chief Financial Officer for approval.

Step 6: Once an applicant is approved, a commitment letter is issued for \$10,000. These funds are reserved for the approved applicant for 4 months.

Step 7: The applicant purchases a house with a sales price of \$563,500 or less.

Step 8: At closing the City transfers funds to the title company, and the borrower executes the required paperwork for the funds.