

DOWN PAYMENT ASSISTANCE GRANT TERM SHEET

Lack of savings is one of the biggest factors that prevent people from becoming homeowners. Down Payment Assistance (DPA) programs that provide deferred or forgivable loans can remove this barrier and help people with little or no savings purchase a home.



In keeping with the Inclusiv/Mortgage mission of helping under-resourced people achieve wealth through homeownership, the Inclusiv DPA grants will provide funds to eligible first-time homebuyers and help them achieve their goal of homeownership through Inclusiv member-approved credit unions. The DPA grants seek to address the exclusion of under-resourced borrowers from homeownership who historically have been excluded from services and products at traditional financial institutions.

Eligible Properties

First time purchase of a 1- 4 unit attached & detached home, condo, co-op, or manufactured home (only if converted to real property-no chattels).

LTV Restrictions

Minimum first mortgage LTV of 90%.

Eligible Borrowers

Any borrower who meets the Inclusiv/Mortgage guidelines and whose income is at or below 80% of the area median income.

Grant Restrictions

Grants are only good for loans that will be sold to Inclusiv/Mortgage. All loans must be locked before grant funds are dispersed.

Grant Amount

Grants of up to 1.5% of the purchase price, not to exceed \$2,500. Limit three per credit union in the initial launch phase. Credit union limit will be re-evaluated later (TBD).

Qualification Parameters

Borrowers must meet Inclusiv/Mortgage guidelines, which include a max DTI (Debt-to-Income ratio) of 45% and a minimum credit score of 580. Borrowers are required to have 2% of their own funds to apply to down payment and closing costs. See the complete Inclusiv guidelines for all other parameters.

Loan Term

The DPA is a 5-year forgivable grant. Payback will be required if the property is sold or refinanced prior to the 5-year term ending and will be prorated based on 60 months with no interest.



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ABOUT INCLUSIV

Founded in 1974, [Inclusiv](https://www.inclusiv.org) empowers its member credit unions to advance financial inclusion through advocacy, education, technology, and impact investment.

Inclusiv is a certified CDFI intermediary instrumental in driving private and public investment in credit unions to build wealth for individuals, households, businesses, and communities formerly excluded from the financial mainstream.

