

KANE COUNTY FIRST TIME HOMEBUYER DEFERRED LOAN PROGRAM
REALTOR & LENDER
Frequently Asked Questions

**Please review the homebuyer qualification letter for details specific to your homebuyer client.*

Q: The program says it offers a deferred loan, but is it really a grant or a forgivable loan?

A: *NO. This program provides 0% deferred loan assistance. Funds are not granted or forgiven, they are repaid in accordance with the program guidelines.*

Q: Where can I find the Program Guidelines and the steps to secure funding?

A: *The Program Guidelines and Application and Closing Process can be found on the Kane County website, and attached to the application form.*

Q: There are multiple adults in my household, but I will be the only one on the first mortgage. Do I still include the others on my application?

A: *YES. This program evaluates HOUSEHOLD income as adjusted by household size. In short, you must list everyone in the household (including adults and children), and provide the required income documentation for all adults.*

Q: Is there a Homebuyer Counseling requirement to participate in this program?

A: *YES. Homebuyers must complete eligible homebuyer counseling from a HUD certified agency prior to submitting a purchase contract. Please be aware that while taking an online course such as Framework can provide valuable information, online courses/group workshops alone do not complete the Homebuyer Counseling requirement – counseling must include customized services to the homebuyer. Homebuyers will be required to provide a signed and dated certification from the Housing Counselor. The following are some local agencies/contacts: The Neighbor Project (Aurora) (Contact Jerria at 630-906-9400 extension 123); Consumer Credit Counseling Service of Northern Illinois (Elgin) (Contact Erika at 224-769-7440); DuPage Homeownership Center (Wheaton) 630-260-2500*

Q: Are there any special provisions that must be included in the Real Estate Contract?

A: *YES. Homebuyers must include the Real Estate Contract Rider that they will be provided after the program area verification process.*

Q: Do I have to be pre-qualified as a Lender under this Program?

A: *NO. Homebuyers may work with the Lender of their choice. But, Lenders should familiarize themselves with the general program guidelines as well as the specific requirements to the homebuyer (i.e. monthly payment limitations, 99% CLTV, etc.) contained in their Qualification Letter and the program guidelines.*

Q: How do I know how much money my client will receive in second mortgage financing?

A: *Anticipate that the homebuyer will receive the full \$10,000 of assistance. Kane County will evaluate on a case by case basis if any factors require an adjustment, such as: if their monthly housing payment is lower than allowed per the Qualification letter, the amount of the Kane County loan can be reduced until the monthly payment is within the specified range. If the monthly payment is too high, the homebuyer is not eligible for assistance.*

Other questions? Email Program Staff: ocr@co.kane.il.us