

City of Hammond
Department of Planning & Development
2026/2027 Homebound
Home Ownership Program

New Construction Guidelines
Revised 3/5/2026

I. Geographic Location

Within the City of Hammond corporate limits.

II. Eligible Property

- A. New Construction
 - 1. Single Family (one-unit structure)
 - 2. Condominium (or Townhouse)
 - 3. Paired Homes

III. Ineligible Property

- 1. Multifamily Housing
- 2. Mobile or Trailer Home
- 3. Modular Homes

IV. Eligible Applicants

- A. Total Household Income not to exceed eighty (80%) percent of Area Median Income. (Hammond Police Officers, Hammond Firefighters, and Licensed K-12 Educational Professionals who are employed by a public, charter, or parochial elementary or high school located in the City of Hammond, City of Hammond full-time employees, including those employed full-time by Hammond Water Works, Hammond Port Authority, and Hammond Sanitary District, shall now be eligible for the Homebound program who are over income are exempt from the income requirement.)

2025 Income Limit Guidelines:

1 Person	2 People	3 People	4 People
\$53,550	\$61,200	\$68,850	\$76,500
5 People	6 People	7 People	8 People
\$82,650	\$88,750	\$94,900	\$101,000

- B. A Prospective buyer, who seeks this forgivable loan, is required to fill out an application with the City of Hammond's Department of Community Development.

V. Financing Guidelines

- A. Buyers of properties being newly constructed are eligible for a **\$10,000** forgivable loan. **The home must be newly constructed by the buyer.**

The forgivable loan is subject to recapture if, during the first five (5) years of ownership, the applicant moves, rents, transfers ownership, no longer uses the home as their primary residence, becomes deceased, or sells the property.

The DPA (Down Payment Assistance) forgivable loan will be paid back in accordance with the following recapture prorated schedule:

1. Program recipients who move, rent, or sell the property within two (2) years of closing will be legally required to pay the city back 100% of the total forgivable loan amount.
2. Program recipients who move, rent, or sell the property within the end of the second (2nd) year of closing and the third (3rd) year of closing will be legally required to pay the city back 60% of the total forgivable loan amount.
3. Program recipients who move, rent, or sell the property within the end of the third (3rd) year of closing and the fourth (4th) year of closing will be legally required to pay the city back 40% of the total forgivable loan amount.
4. Program recipients who move, rent, or sell the property within the end of the fourth (4th) year of closing and the fifth (5th) year of closing will be legally required to pay the city back 20% of the total forgivable loan amount.

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(These recapture provisions will be secured through a retention agreement or any other legal instrument required by the city)

Applicants are encouraged to seek financing by a licensed financier with an office within the Hammond city limits.

- B. Beneficiary will execute a Mortgage, a loan agreement, and a restrictive covenant with the City of Hammond to occupy the housing unit for a period of not less than five (5) years.

VI. Lending Institutions

- A. The City of Hammond Community Development Department must receive a complete legible loan package for review and approval, including HUD documentation required for HOME funds, contingent upon the funding source used by the City.
- B. Closing Disclosure must show where the City of Hammond Community Development Department funds are used. No cash back is allowed on any loan. However, principal reductions are allowed.
- C. At least two (2) business days before closing, the City of Hammond Community Development Department must receive a Final Closing Disclosure statement for review and approval. **NO EXCEPTIONS!**
- D. **Wire instructions must be given one week in advance.**

THESE GUIDELINES OUTLINE THE BASIC FUNDING REQUIREMENTS OF THIS PROGRAM AND ARE NOT MEANT TO BE ALL-INCLUSIVE.

The City of Hammond is an Equal Opportunity Lender.

The funds for this program are limited. As such, they will be available on a first-come, first-served basis. This funding program cannot be combined with other City programs.

For more Information or to make your appointment, please call at 219-853-6358 ext. #2