

**City of Hammond
Department of Planning & Development
2020 Homebound
Home Ownership Program**

New Construction Guidelines

I. Geographic Location

Within 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

IV. Eligible Applicants

- A. All new construction applicants are eligible with no income restrictions.
- B. Hammond City Employees working directly in the Homebound Program for Department of Planning & Development are ineligible for forgivable loan assistance.
- C. A Prospective buyer, who seeks this forgivable loan, is required to fill out an application with the City of Hammond's Dept. of Planning & Development Rehabilitation Loan Officer.

V. Financing Guidelines

- A. Buyers of properties being newly constructed are eligible for \$5,000 forgivable loan (those obtaining \$5,000.00 and assistance funding are exempt from the household income guidelines). The house must be newly constructed by the buyer.

The forgivable loan is subject to recapture if, during the first five 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 that 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 that move, rent or sell the property within the end of 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 that 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 that 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.

(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, 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.** At least 2 business days before closing, The City of Hammond Rehabilitation Section must receive a Final Closing Disclosure statement for review and approval. **NO EXCEPTIONS!**

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

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.

The City of Hammond is an Equal Opportunity Lender.

For more Information or to make your appointment, please call Andria R. Lewis,
Rehab Loan Officer at 219-853-7326