



THE CITY OF COLUMBIA
COMMUNITY DEVELOPMENT DEPARTMENT



October 12, 2022

Community Development Housing Loan Program

AGENDA

- ❖ Introductions
- ❖ Mission
- ❖ Programs Highlights and Overview
- ❖ Programs Review
- ❖ Q & A and Comments



The Community Development Mission

To create safe and affordable homeownership opportunities for people at 120% and below of the Area Median Income (AMI).





City Lender I Uplift Update



Previous Program Guidelines

Purchase Loan: Maximum \$150,000

Low Down Payment: \$500 (Regardless of Sales Price)

Interest Rate: 1% below partner lender (*Bank Posted Rate*)

Eligible Borrowers: Credit worthy buyers with gross Household Incomes that are between those listed below (**owner-occupied loans only**)

Changes to City Lender I – Uplift

- **Purchase Loan Amount** increased – Based on HUD HTF amounts
- **Existing Home Purchase Price Amount** - **\$162,000**
- **New Construction Purchase Price Amount** - **\$253,000**

Updated Median Income 80% limits

# in Household	1	2	3	4	5	6
Maximum Income	\$45,150	\$51,600	\$58,050	\$64,500	\$69,700	\$74,850



City Lender I Uplift Update



No Changes or Updates

Eligible Properties:

Single family homes within the City of Columbia corporate city limits.

Loan Structure/ Interest Rate:

- Assigned Partner Bank will hold 80% of 1st mortgage
- City of Columbia will hold 20% of 2nd mortgage
- Blended rate is approximately 1/2 % below current market rates. **(NO PMI)**
- **Up to \$3500 Closing Cost Assistance** as a Forgivable Third Mortgage over 5 years of continuous residence. **(Based upon availability of funds)**



City Lender II Update



Previous Program Guidelines

Purchase Loan: Maximum **\$250,000**

Low Down Payment: **\$2000** (Regardless of Sales Price)

Interest Rate: 1% below partner lender (*Bank Posted Rate*)

Program Changes to City Lender II

- Purchase Loan Amount increased - **\$275,000**
- Eligible Applicants Income limits – 81% up to 120% - AMI

Updated Median Income 120% limits

# in Household	1	2	3	4	5	6
Maximum Income	\$67,726	\$77,400	\$87,076	\$96,750	\$101,850	\$112,276



City Lender II Update



No Changes or Updates

Eligible Properties:

Single family homes within the City of Columbia corporate city limits.

Loan Structure/ Interest Rate:

- Assigned Partner Bank will hold 80% of 1st mortgage
- City of Columbia will hold 20% of 2nd mortgage
- Blended rate is approximately 1/2 % below current market rates. **(NO PMI)**



Affordable Loan Program



Update

Previous Program Guidelines

Purchase Loan: Maximum \$150,000

Low Down Payment: \$500 (Regardless of Sales Price)

Interest Rate: 3%

Eligible Borrowers: Credit worthy buyers with gross Household Incomes that are between those listed below (**owner-occupied loans only**)

Changes to Affordable Home Loan

- **Purchase Loan Amount increased** – Based on HUD HTF amounts
- **Existing Home Purchase Price Amount - \$162,000**
- **New Construction Purchase Price Amount - \$253,000**

Updated Median Income 80% limits

# in Household	1	2	3	4	5	6
Maximum Income	\$45,150	\$51,600	\$58,050	\$64,500	\$69,700	\$74,850



Affordable Loan Program



Update

Eligible Properties:

Single family homes within the City of Columbia corporate city limits.

Loan Structure/ Interest Rate:

- City holds 100% of mortgage
- Interest rate at 3% fixed for 30 years (NO PMI)

Contract Requirements

- "All loose, flaking or peeling paint, inside and outside, will be repaired prior to closing"
- Allow at least 45 days from contract date to date of closing

Program Overview



Affordable Housing Loan

Contract Requirements

- *"All loose, flaking or peeling paint, inside and outside, will be repaired prior to closing"*
- Allow at least **45** days from contract date to date of closing

Applicant Requirements:

- A. **MUST** receive: Homeownership Training by an approved organization, agency, community college, private mortgage insurance company, classes instructed by bank personnel or self-study supervised by a bank or HUD certified housing counselor prior to closing
- B. Applicant **CANNOT** own any other improved property at time of closing of City Loan
- C. Property **MUST** be owner-occupied as long as the City holds a mortgage





Program Overview

Affordable Housing Loan

Loan Breakdown:

Loan Program is based upon availability of funds

	LOAN EXAMPLE
\$100,000	Sales Price
\$500	Down Payment (Regardless of Sales Price)
\$99,500	First Mortgage Loan Amount Funded City of Columbia @ 3%
	Loan Payment - \$419.50 (Principle & Interest only)
	Total Payments - \$419.50 + Taxes and Insurance



Program Underwriting Guidelines



All applicants must meet underwriting requirements to be eligible for any City of Columbia, Community Development Housing Loan Programs

- **Two (2) year** work history with no gaps in employment, full documentation from source of income - i.e. disability, retirement, SS, public assistance
- Qualifying Debt to Income Ratios **33/43**
- The minimum credit score is **600** - Derived by examining all three credit scores by all three credit bureaus and middle score selected
- Funds used to cover the required minimum down payment, as well as closing costs and fees, must come from acceptable sources and must be verified and properly documented
- Must get pre-approved by the assigned partner lender for City Lender I-Uplift and City Lender II

* Other underwriting and processes apply





Program Overview

City Lender I - Uplift

- Existing Home Purchase Price Amount - **\$162,000**
- New Construction Purchase Price Amount - **\$253,000**

Low Down Payment: **\$500** (Regardless of Sales Price)

Interest Rate: 1% below partner lender (*Bank Posted Rate*)

Eligible Borrowers:

Credit worthy buyers with gross Household Incomes that are at or below 80% of HUDs Area Median Income limit

	LOAN EXAMPLE	PAYMENT EXAMPLE
\$100,000	Sales Price	First Mortgage Loan Amount \$79,600 at 4% interest rate
\$500	Down Payment (Regardless of Sales Price)	
\$79,600	First Mortgage - (80% Loan Amount) Partner Bank	Loan Payment - \$380.02
\$19,900	Second Mortgage - (20% of Loan Amount) (1% below market rate for 30yrs by City)	Loan Payment - \$83.90
		Total Payments - \$463.92 + Taxes and Insurance





Program Overview, cont.

City Lender II

Purchase Loan: Maximum \$275,000

Low Down Payment: \$2000 (Regardless of Sales Price)

Interest Rate: .5 % below current market rate (*Bank Posted Rate*)

Eligible Borrowers:

Credit worthy buyers with gross Household Incomes that are 81% up to 120% HUDs Area Median Income limit

	LOAN EXAMPLE	PAYMENT EXAMPLE
\$100,000	Sales Price	First Mortgage Loan Amount \$78,400 at 4% interest rate
\$2000	Down Payment (Regardless of Sales Price)	Loan Payment - \$374.29
\$78,400	First Mortgage - (80% Loan Amount) Partner Bank	Second Mortgage Loan Amount - \$19,600 @ 3%
\$19,600	Second Mortgage - (20% of Loan Amount) (1% below market rate for 30yrs by City)	Loan Payment - \$82.63
		Total Payments - \$456.92 + Taxes and Insurance





Partner Lenders

- Assurance Mortgage
- First Citizens Bank
- First Community Bank
- Palmetto Citizens Federal Credit Union
- Security Federal Bank
- South State Bank
- Synovus Bank





Wrap Up

- ✓ Programs
- ✓ Eligible Borrowers
- ✓ Contract Requirements
- ✓ Applicant Requirements
- ✓ Loan Terms



Q & A SESSION





STAFF CONTACT INFORMATION

All housing loan inquiries should be directed to the Housing Loan Programs email: HousingLoanPrograms@columbiasc.gov

Delores Shabazz, Program Manager of Housing - 803-545-3378
Delores.Shabazz@columbiasc.gov

Jonathan Grier, Loan Officer - 803-545-0280/ Cell: 803-394-5577
Grier.jonathan@columbiasc.gov

