CITY FUNDED HOMEOWNERSHIP INCENTIVE PROGRAM DOWN PAYMENT ASSISTANCE APPLICATION PROGRAM GUIDELINES

PROGRAM GOAL

To attract homebuyers earning moderate incomes purchase a new home (HIP/TIF or CHIP, Part A) or an existing home (HIP/TIF or CHIP, Part B) in the City of East Chicago

ELIGIBLE APPLICANTS

Prospective homebuyers with household incomes and credit of all levels. Financial Institutions may have income and credit requirements.

STRUCTURE REQUIREMENTS

House must be assessed by Lake County Assessor as a Single-Family Dwelling. The house must be located in City of East Chicago, Indiana. Structure may be detached house, townhome, or condo. No multi-family building.

OTHER INFORMATION

- Applicants must attend pre purchase homebuyer education courses sponsored by the Department of Redevelopment or HUD certified housing counseling agency.
- Assistance can be used only for down payment and closing costs. Note: Title company and lender will tabulate the closing cost.

FORM OF ASSISTANCE

HIP/TIF or CHIP Part A - Up to $30,000, depending on eligibility

- No interest 2nd mortgage of up to $25,000, plus an additional $5,000 for City of East Chicago employees at full-time status for at least one year (if applicable), toward the purchase of the newly constructed homes in the City of East Chicago. This 2nd mortgage will be a 10 year forgivable loan, with equal percentages forgiven each year until year 10.

HIP/TIF or CHIP Part B - Up to $15,000, depending on eligibility

- No interest 2nd mortgage of up to $10,000, plus an additional $5,000 for City of East Chicago employees at full-time status for at least one year (if applicable), toward the purchase of a reconstructed or existing home located in the City of East Chicago. This 2nd mortgage will be a 5 year forgivable loan, with equal percentages forgiven each year until year 5.

Please note: If the HIP/TIF or CHIP, Part A or Part B, funded home is sold at any time during the eligibility period then a pro-rated amount of the forgivable loan shall be repaid to the City of East Chicago.

- No interest will be charged & homeowner will not make monthly payments.
- CHIP or HIP/TIF, Part A and Part B loans will take a second position to the first mortgage.