City of Cincinnati
Department of Opportunity and Resident Services

American Dream Downpayment Initiative



Program Guide

city of CINCINNATI
OPPORTUNITY & RESIDENT SERVICES

Updated October 2026

Contents **Page**

Executive Summary 2
Section I - Applicant Eligibility and Application Review Process 3

A. Applicants must be first-time homebuyers 3
B. Separated Couples 3
C. Household Income Restrictions 3
D. Household Income Inclusions 3
E. Required Source Documentation for Income 3
F. Assets 4
G. Required source Documentation for Assets 4
H. ADDI Pre-Approval 4
I. Homebuyer Counseling 4
J. ADDI Funds 4
K. Application Submittal 4

Section II – The Purchase Contract and Property Requirements 5

A. The Purchase Contract 5
B. Voluntary Acquisition Form 5
C. Property Legal Description 5
D. Property Eligibility Requirements 5
E. Property Located in a Flood Plain 5

Section III – Loan and Lender Requirements 6

A. Lender Financing 6
B. Loan Documentation 6
C. Property Appraisal . 6
D. Eligible Closing Costs 6
E. Non-Occupying Co-Borrowers 6
F. Ownership 6
G. Future Loan Subordinations 6

Section IV – Loan Closing 7

A. HUD/Settlement Statement/Closing Disclosure 7
B. City Closing Documents & Deliverance of ADDI Funds 7
C. Loan Default & Recapture Provision 7

Appendices

A. HUD Area Median Income 9
B. Household Income Inclusions 10
C. Assets (inclusions & exclusions) 11
D. ADDI Pre-Approval Letter 12-13
E. HUD Approved Counseling Agencies 14
F. Voluntary Acquisition Form 15
G. ADDI City Contract, Mortgage and Note 16-25
H. Cincinnati Neighborhoods 26
I. Subordination Requirements 27
J. Frequently Asked Questions 28-29
K. ADDI Pre-inspection Checklist 30-31

Executive Summary

The ADDI program aims to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities. ADDI will help first-time homebuyers with the biggest hurdle to homeownership: down payment and closing costs. The program was created to assist low-income first-time homebuyers in purchasing single-family homes by providing funds for down payment in conjunction with the assisted home purchase.

To be eligible for ADDI assistance, individuals must be first-time homebuyers interested in purchasing a home within the City of Cincinnati limits. Exceptions to the first-time homebuyer requirement can be made for homes that were either constructed or renovated with federal HOME funds from the City. ADDI funds may be used to purchase a single-family home, condominium unit, cooperative unit, or manufactured housing. Additionally, households that qualify for ADDI assistance must have incomes that do not exceed 80% of area median income. ADDI funds may be used for down payment in an amount of $10,000, $12,000, or $14,000 (determined by applicant household AMI) toward a home. After a thorough review of the application, the City will determine the amount of assistance the household is pre-approved for. ADDI funds are awarded as a five-year non-interest-bearing deferred loan payment with a five-year residency requirement. All or a portion of the funds will be recaptured in the event a homeowner moves from the residence, sells or transfers ownership during the five-year residency period.

I. Applicant Eligibility and Application Review Process

A. ***Applicants must be first-time homebuyers*.** A First-time Homebuyer is a person that meets one of the following criteria:
   a. An individual and his/her spouse who have not owned a home during the three-year period prior to the purchase of the home assisted under the ADDI Program.
   b. A single parent, defined as an individual who is unmarried or legally separated from a spouse who is pregnant, has custody of one or more minor children or who shares joint custody.

Note: Applicants must provide documentation or evidence of being pre-approved for a Mortgage. This must accompany the application for ADDI funds for the application to be considered.

Special Consideration: Exceptions to the first-time homebuyer requirement can only be made for applicants that are acquiring a home where the City has funded its new construction or rehabilitation.

B. ***Separated Couples*.** Separated couples will be treated as married couples. Both spouses will be required to complete the application and the incomes and assets of both will have to be considered accordingly. A copy of the divorce decree or legal separation documents will be required, if applicable. The City reserves the right to review legal documentation in making a final determination.

C. ***Household Income Restrictions.*** Applicants' household income must be at or below 80% of the Area Median Income (AMI) as determined by HUD **(See Appendix A)**. All sources of income for all adult household members both earned and unearned will be counted toward the household income. Earned income of minors (age 18 and younger) is not counted. However, unearned income attributable to a minor like child support, TANF (Temporary Assistance for Needy Families) payments and other benefits paid on behalf of a minor is included. The City will determine a household's income by reviewing the income and asset source documentation listed in the following section.

D. ***Household Income Inclusions (See Appendix B).*** Income included in determining eligibility is income from: Wages, salaries, tips, etc.; Business Income; Interest & Dividend Income; Retirement & Insurance Income; Social Security; Unemployment & Disability Income; Welfare Assistance; Alimony, Child Support, & Reoccurring Gift Income; Armed Forces Income.

E. ***Required Source Documentation for Income.***
   a. Wages, salaries, tips, etc. - 3 Month equivalent of pay stubs (i.e. 6 pay stubs for bi-weekly pay/ 12 pay stubs for weekly pay). If pay stubs cannot be obtained, a signed printout from the employer exhibiting pay for the past three months is acceptable. Pay stubs and/ or printouts must state gross pay.
   b. Social Security – a current award letter from the Social Security office stating monthly benefit amount
   c. Child Support – a payment history report from the administering agency or document from the administering agency stating the monthly benefit amount for all children
   d. All other income – a document from the administering agency, department, etc. that states the benefit, gift, or income amount.

Note: The City of Cincinnati has the right to ask for additional information or check with a third party to determine eligibility for the ADDI program. "Certified Eligibility" is only valid for six months. If a closing with ADDI funds does not occur within this six-month time period, the applicant's eligibility will be terminated. The applicant will be required to

resubmit a new application so eligibility can be reestablished. Applicants that are in collections for outstanding debt owed to the City or otherwise have a lawsuit filed against them by the City are not eligible to apply, as they are ineligible to receive ADDI. The City also reserves the right to terminate an ADDI pre-approval at any time if funds are no longer available.

F. ***Assets.*** In general terms, an asset is a non-cash item that can be converted to cash. Note that when assets are included in the calculation of annual income, it is the income earned from the asset - not the value of the asset - that is counted **(See Appendix C for a list of assets)**.

G. ***Required Source Documentation for Assets.***
   a. Checking account – past six months of statements, average six-month balance will be used
   b. Savings account – most recent statement (only one month required)
   c. All other assets – document from the institution or equivalent that shows the income earned from the asset or its cash value, whichever is applicable.

   Note: An "imputed" income will be calculated based on a Passbook Rate applied to the cash value of all assets. (The Passbook Rate is established periodically by HUD.)

H. ***ADDI Pre-Approval (See Appendix D).*** Applicants with household incomes between 66% and 80% of the AMI will be eligible to receive $10,000 in down payment assistance. Applicants with household incomes between 51% and 65% of the AMI will be eligible to receive $12,000 in down payment assistance. Applicants with household income at or below 50% of the AMI will be eligible to receive $14,000 in down payment assistance.

I. ***Homebuyer Counseling*****.** Applicants are required to complete homebuyer counseling with a local HUD-Approved counseling agency **(See Appendix E for a list of approved agencies).** A certificate or letter of completion will need to be submitted to the City as documentation. Certificates older than 18 months will not be honored. It is not necessary to complete homebuyer counseling before applying to the ADDI program. However, it is required before the ADDI funds can be awarded.

J. ***ADDI Funds.*** ADDI funds are provided on behalf of the buyer at the time of closing. The down payment assistance will be in the form of a five-year forgivable loan with a five-year residency requirement. A “forgivable loan” is one where payments are deferred over a period of time. ADDI loans are deferred over a five-year period with 20% forgiven (not requiring repayment) each year residency is verified. Should the property be sold or transferred within the five-year term, the City will recapture all or a portion of the funds awarded toward the purchase of the property. All ADDI loans are enforced by a subordinate mortgage and promissory note.

   Special consideration for homes with federal funds invested from the City.
   ADDI applicants that are buying a home that was either constructed or renovated with federal HOME funds from the City could be subject to a residency requirement greater than five years based on the amount of funds federal HOME invested in the home. The residency period could be 10, 15, or 20 years with the ADDI loan forgiven each year proportionally. First-time home buyer status is not required for the purchase of these homes. All other ADDI requirements are enforced, and the purchase of these homes will be coordinated between City staff and the seller.

K. ***Application Submittal.*** Applications must be complete and must be submitted by mail or delivered to our office. Faxed and emailed copies are not accepted. Allow 10-15 business days for processing. **Completed application packets can be mailed to**:

II. The Purchase Contract and Property Requirements

A. ***The Purchase Contract***. A real estate purchase contract also known as a Contract to Purchase Real Estate or Residential Purchase Agreement is a binding agreement (between two or more parties with legal capacity) to purchase real property. A purchase contract should have at least a 30-day time frame established to close. A Purchase contract on any house constructed before 1978 must include a "Lead Based Paint Disclosure". ADDI funds will be ready two weeks after all requirements set forth in the ADDI Pre-approval have been met. Once the City is in receipt of a fully executed contract to purchase, a City inspector will be assigned to inspect the property.

Note: A home under contract prior to an applicant's approval for ADDI will be ineligible. An applicant's approval must be determined before an official offer can be made if ADDI funds are sought.

B. ***Voluntary Acquisition Form (See Appendix F).*** Once a purchase contract is established***,*** this form is to be completed by the buyer/buyer's agent, submitted to the seller for signature, and returned to the City before closing.

C. ***Property Legal Description.*** The legal description of a property is a description of the property based on a metes and bounds area, a plot map and the area of the land in question. It is more than the address. It describes the land that is the subject of the description in a manner that can be confirmed by survey, so if a boundary dispute arises it can be determined who owns what. A legal description of the property should be submitted with the purchase contract or shortly thereafter. This document will be used as an exhibit to the ADDI contract and City closing documents **(See Appendix G)** that the buyer(s) will have to execute with the City. If this document cannot be obtained from the lender or the agent in a timely manner, it can be obtained from the Hamilton County Recorder's Office located at 138 E. Court Street, Cincinnati, Ohio 45202.

D. ***Property Eligibility Requirements.*** Applicants must purchase a qualified home defined as a single-family residence, condominium unit, cooperative unit or combination of manufactured housing and lot in the City of Cincinnati limits **(See Appendix H for eligible neighborhoods)**. **Multi-family dwellings are not eligible.** As stated in the previous section, the contact information for the City inspector will be distributed to the buyer after a fully executed purchase contract is received. It will be the buyer's and/or his/her agent's responsibility to contact the inspector to schedule the inspection. The City inspector will inspect the home to ensure that it meets the Local Housing Code. As such, the inspector will need access to the interior of the home and all utilities will have to be on. Any property that does not pass the City inspection will be deemed ineligible for the ADDI program. New constructions will require a Certificate of Occupancy. Reports will be submitted to the Buyer and/or the buyer's agent within 2-4 days after the inspection is conducted. A local housing code inspection does not constitute a whole house inspection. A property sales price may not exceed the HUD single-family purchase price limit **(See Appendix A).**

E. ***Property Located in Flood Plain***. Property located in a FEMA designated 100-year flood plain as determined by the Lender or the City must obtain flood insurance. A copy of the policy will need to be submitted to the City before closing. If no policy is obtained, the house will be ineligible for ADDI funds.

III. Mortgage Loan and Lender Requirements

A. ***Lender Financing.*** ADDI Program participants may obtain a loan from the lending institution of their choice. The loan must meet the following underwriting criteria **as underwritten by the first mortgage lender**: No more than 33% of family income devoted to principal, interest, taxes and insurance and no more than 45% of family income for overall debt. Loans may be Conventional, FHA, or VA, but must have a fixed rate and a reasonable term. Money should also be escrowed for property taxes and insurance. Adjustable-Rate Mortgages (ARMs) are prohibited.

B. ***Loan Documentation.*** The following loan documents must be submitted to the City for review before ADDI funds can be awarded, these documents can be emailed or faxed:
   a. Copy of the financing application
   b. Copy of the TRID Loan Estimate, as amended or revised
   c. Copy of the Transmittal/Underwriting Summary
   d. Copy of the TRID Closing Disclosure, as amended or revised
   e. Copy of Flood Insurance Policy (if applicable)

   Note: These documents should demonstrate comparable industry standards of interest rates and fees.

C. ***Property Appraisal***. The City requires a copy of the appraisal for the house being purchased prior to closing. This document is needed to ensure that the appraised value does not exceed HUD's single-family purchase price limit **(See Appendix A)**.

D. ***Eligible Closing Costs.*** ADDI funds can be used to pay for financing fees, credit reports, title binders and insurance, and recordation fees.

   Note: It is expected that ADDI funds will be used to record the City's 2nd mortgage.

E. ***Non-Occupying Co-borrowers*.** Non-occupying co-borrowers are additional borrowers that will not reside in the property purchased but will sign the note and mortgage for the purpose of providing additional security for the lender. Non-occupying co-borrowers are permitted only if the lender is using the co-borrower as added security. This can be in the case of insufficient credit and/or short or sporadic work history of the borrower. ADDI applicants whose monthly income cannot support a monthly mortgage may not utilize a non-occupying co-borrower for the sake of securing financing in order to receive ADDI funds. Non-occupying co-borrowers are not permitted to be on the deed at purchase.

F. ***Ownership***. Ownership can be in the form of a fee simple title or membership in a cooperative or mutual housing project that constitutes homeownership under Ohio state law.

G. ***Future City Loan Subordinations.*** The City will not subordinate to any additional debt during the term of the ADDI Program note. Owners will be permitted to refinance existing debt in order to obtain a better interest rate or a lower payment. Closing costs associated with that refinance must be paid by the owner and cannot be included in the refinance **(See Appendix I for ADDI subordination procedures).**

IV. Loan Closing

A. ***TRID Closing Disclosure.*** This document must be submitted to the City for review at least 24 hours prior to closing.
   a. It should disclose program funds as either "ADDI Program Funds" or "City of Cincinnati".
   b. It should include a recording fee for the City mortgage, the City 2nd mortgage is typically two-pages including the legal description
   c. The buyer is not allowed any cash back at closing, potential cash back should be applied as a principal reduction or applied to additional closing costs

B. ***City Closing Documents & Deliverance of ADDI Funds.*** The buyer(s) at closing will be required to execute a Mortgage and Promissory Note in favor of the City **(See Appendix G, pages 23-24 for sample documents).** A recordation/filing fee for the City's mortgage should be included on TRID Closing Disclosure. The original City mortgage will be left with the closing title company to be recorded along with the first mortgage. The City will maintain its mortgage for five-years or until the homeowner pays the City's mortgage off, whichever occurs first. The City will recapture all or a portion of the funds if the buyer does not maintain the property as a principal residence or transfers ownership within the five-year affordability period. ADDI funds are structured as a five-year non-interest-bearing deferred payment loan with 20% of the funds forgiven each year the homeowner resides in the property. To monitor this requirement, the homeowner will be mailed a Residency Certification notice annually on or about the anniversary of the closing date. The homeowner will be required to sign and return the notice. Failure to do so will result in a loan default, recapture of ADDI funds, and possible legal action. ADDI funds will be transmitted in the form of a wire transfer to the title company. The City will also secure a copy of the signed deed as evidence of ownership.

C. Loan Default & Recapture Provision. Buyer(s) that do not adhere to the requirements as outlined in the City's Contract, Mortgage, and Promissory Note will be subject to repayment of the loan in whole or in part depending on the number of years occupancy has been verified. If the borrower is facing a financial hardship and is seeking to sale the home to avoid foreclosure, the City is at the liberty to extinguish the mortgage and forgive any repayment of the loan as long as there are no proceeds to the seller(s) from the sale of the home. Any financial hardship must be documented by a letter from the owner of the home as well as by the lending institution holding the primary mortgage. The City will require a copy of the executed TRID Closing Disclosure.

APPENDICES

Appendix A

2026 Income Limits

Applicants must be 80% of Area Median Income (AMI) or Less (see table below):

Household Size:	1	2	3	4	5	6	7	8
80% AMI:	$61,550	$70,350	$79,150	$87,900	$94,950	$102,000	$109,000	$116,050
65% AMI:	$50,000	$57,200	$64,300	$71,400	$77,150	$82,900	$88,600	$94,300
50% AMI:	$38,500	$44,000	$49,500	$54,950	$59,350	$63,750	$68,150	$72,550

(Effective as of June 1, 2026)

A home purchase price may not exceed $247,000 for existing homes and $330,000 for new construction.
(Effective December 1, 2025)

All figures above are subject to change as published by HUD.

Appendix B

Household Income Inclusions

General Category	Description
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; ***plus*** • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except the full amount of student financial assistance paid directly to the student).

Asset Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Asset Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

Appendix D

Dear ADDI Applicant(s):

Congratulations! You have been pre-approved for participation in the City of Cincinnati American Dream Downpayment Initiative Program (ADDI). You are pre-approved for down payment assistance in an amount of **$14,000** subject to the conditions summarized in this letter and program literature.

Conditions of Approval

1. Sign both copies of this letter where indicated, return one copy to the City at the above address and retain the second for your records. The signed letter must be returned to the City within 14 days. **It is suggested that you provide a copy of this letter to your loan officer and realtor.**

2. You have 90 days from the date of this letter to provide the City with a fully executed contract to purchase on an eligible property located in the City limits. If this deadline cannot be met, one 45-day extension can be granted, but must be requested in writing prior to the expiration of the 90 days. Failure to submit a contract to purchase within in the allotted time will result in an automatic termination of this pre-approval. A copy of a contract to purchase including the lead based-paint disclosure and a legal description of the property must be submitted to the City within 7 days of the date the contract is signed by all parties. When a purchase contract is submitted, you have up to six months from the date of this letter to close on the property. If this cannot be accomplished, this pre-approval will be terminated, and you will have to re-apply to the Program. Any addendums to the purchase contract that affects the sales price must be submitted to the City immediately as this will affect the down payment assistance amount. Legal descriptions can be obtained from the Hamilton County Recorder's Office located at 138 E. Court Street, Downtown Cincinnati.

3. Upon receipt of a copy of your purchase contract, the City will provide you with contact information so that you or your realtor may schedule the required local housing code inspection. A City building inspector will conduct the inspection to ensure that the property meets the local housing code. Please allow 2-4 business days for the inspection report to be available. Should the property fail the City inspection and the owner is unwilling or unable to correct the cited deficiencies, the property will not be eligible for ADDI funds. *This inspection is not intended to replace a whole house inspection, which is your responsibility.*

4. You must provide to the City the following documentation within 7 days of your receipt of each item:

- A copy of your Certificate of Completion for a New Home Buyers Class/Counseling (if not already submitted) from a HUD-certified agency.

- A copy of your financing application that is date stamped or validated as being received by the lender.

- Copy of the Property Appraisal Report (this can be obtained from your lender)

- A copy of the following loan documents: TRID Loan Estimate, as amended or revised, and the Transmittal Summary (underwriting document) from your lending institution that demonstrates that your loan complies with the following loan underwriting criteria: no more than 33% of family income can be devoted to principal, interest, taxes and insurance, and no more than 45% of family income can be

devoted overall household debt. These documents should demonstrate comparable industry standards of interest rates and fees. Adjustable-Rate Mortgages (ARMs) are prohibited. It is your responsibility to inform your financial institution of these requirements.

5. You will be required to execute an Agreement (contract) with the City delineating the loan terms. The City cannot prepare this Agreement without a copy of the fully executed contract to purchase and the property legal description. So, it is important that these documents are submitted as soon as possible. Additionally, all requirements outlined in this letter must be met before any funds can be awarded. **It can take up to two weeks for down payment assistance funds to be disbursed after executing the Agreement with the City provided that all other requirements outlined in paragraphs 1 – 4 of this letter have been met.** This should be taken into consideration when scheduling the closing date. Except for the City's inspection report, City staff is not responsible for securing any of the documents for you. The City will not be responsible for delayed closings caused by a property that did not pass a City inspection or for the failure of you or anyone with whom you are working to submit all the required documents in a timely manner. There is a 30–45-day time frame for ADDI funds to be disbursed from the receipt a fully executed contract, as long as all other ADDI program requirements are met.

6. At least 24 hours prior to closing, you must provide to the City a copy of your TRID Closing Disclosure, as amended or revised, for review. At the closing you will be required to sign a promissory note and mortgage in favor of the City. The City will secure a copy of the signed deed as evidence of ownership. The name(s) on the deed *should* match the name(s) to appear on the City's Note and Mortgage. **Under no circumstance are buyers allowed to receive money back at closing. Any potential refunds can be applied as a principal reduction or applied toward closing costs.**

7. ADDI funds will be provided on your behalf at the time of closing. Funds are provided as a 5-year deferred payment loan with the condition that the loan will be forgiven when you live in the home for 5 years. The loan must be repaid if you fail to do so, or if the home is sold or ownership is transferred during that 5-year period.

8. On the anniversary of your closing date, you may be required to complete and return a Residency Certification form. This form will be mailed to you annually. Your loan will be forgiven after five years of verifying residency.

9. Prior to closing, you must inform the City of any change in your status that might affect your eligibility. The City reserves the right to request additional documentation to determine your continued Program eligibility. The City also reserves the right to void this approval in the event you do not comply with the request or funding is no longer available.

Sincerely,

Division Manager

I have carefully reviewed the "Conditions of Approval" contained in this letter and agree to all terms as set forth.

Applicant Signature: _____ Date:_____

Co- Applicant Signature: _____ Date:_____

Appendix E

HUD - Approved Counseling Agencies

The Home Ownership Center
2820 Vernon Place
Cincinnati, Ohio 45219
(513) 961-2800

Working In Neighborhoods
1814 Dreman Street
Cincinnati, Ohio 45223
(513) 541-4109

CITY OF CINCINNATI VOLUNTARY ACQUISITION FORM

Note: The Uniform Relocation Act (URA) acquisition requirements for non-profit and private developers are found in Chapter 5 of HUD Handbook 1378 and must be followed if real property is to be acquired with federal assistance. This form should be completed by the purchaser(s) and/or their agent and distributed to the seller(s) for signature. The signed forms will be collected at or before closing or can be returned to the ADDI Program, Department of Opportunity and Resident Services, 805 Central Avenue, Suite 700, Cincinnati, Ohio 45202.

Dear Seller(s):

Federal financial assistance through the City of Cincinnati's American Dream Downpayment Initiative (ADDI) program is being sought for this proposed transaction that includes the purchase of real estate known as *(list complete address on line below)*:

_____.

Federal funds used for the purchase of the above real estate require my informing you of the following:

1. As a private sector entity proposing acquisition of your property, the purchaser(s) have no legal means to acquire your property except a mutual agreement between the buyer and the seller. This is a voluntary, arm's length transaction and there is no threat of Eminent Domain.

2. We have estimated the fair market value of your property to be $_____. This amount was established by **(check only one)**:

   ____ the value derived by the County Auditor's most recent records.

   ____ a third party who is familiar with property values in the area (such as a Realtor).

   ____ an appraisal of the property conducted by _____, copy attached.

The URA regulation states: Whenever feasible, this information shall be provided before making the purchase offer. **In those cases where there is an existing option or contract, the seller must be provided the opportunity to withdraw from the agreement after this information is provided.** Therefore, if federal funds remain in the project and this information is being provided to you prior to closing, but after an option or purchase agreement exists, you have the choice of continuing with the contract, renegotiating the contract, or declaring it null and void.

Since this is a voluntary sale, you as the seller(s) will not be eligible for relocation assistance because of this transaction. However, if any tenants have been displaced for this sale to occur or if tenants currently rent or occupy space on the property, please provide us with that information by completing the attached "Tenant Profile" form. These tenants may be eligible for relocation assistance under the URA.

Sincerely,

The City of Cincinnati Department of Opportunity and Resident Services

---

Received by:

_____ _____

Seller(s) and or Signature(s) Date

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AND

City of Cincinnati

AMERICAN DREAM DOWNPAYMENT INITIATIVE PROGRAM

AGREEMENT FOR A LOAN OF HOME FUNDS FOR *DOWN PAYMENT ASSISTANCE* FOR A SINGLE-FAMILY HOME PURCHASE

By and Between

The City of Cincinnati

and

THE BUYER

SAMPLE

THIS AGREEMENT, made by and between the City of Cincinnati, an Ohio municipal corporation, hereinafter called the "City," having its office at 801 Plum Street, Cincinnati, Ohio 45202, and ***THE BUYER*** hereinafter called the "Borrower," whose current address is _____, Cincinnati, Ohio 45225; witnesseth

WHEREAS:

1. The City is responsible for the receipt and disbursement of federal funds made available to eligible homebuyers through the "HOME" program - Title II of the Cranston-Gonzalez National Affordable Housing Act, Public Law 101-625, 42 U.S.C. 12701 et seq.; and

2. Pursuant to said HOME program the Borrower is eligible to receive DOWN PAYMENT assistance in the purchase of a house; and

3. Execution of this Agreement on behalf of the City has been authorized by Ordinance No. 174-2004;

NOW, THEREFORE, the parties hereto, for and in consideration of these premises and the mutual promises, covenants and obligations herein contained, hereby agree as follows:

PART I

101. THE PROPERTY - The property which is being purchased by the Borrower and which is the subject of this Agreement is a single-family dwelling located at _____, Cincinnati, Ohio 45223, (hereinafter referred to as the "Property"). The Property is further described in Contract Exhibit A, entitled "Legal Description of Property," attached hereto and made a part hereof.

102. AMOUNT OF LOAN - Subject to the terms and conditions of this Agreement the City will lend to the Borrower from HOME funds received by the City, only if so received and from no other source, up to the sum of Fourteen Thousand and 00/100 Dollars ($14,000.00), (hereinafter referred to as the "Loan Funds.")

103. DOWN PAYMENT ASSISTANCE - The Loan Funds shall be used for down payment assistance for the purchase of the Property. The Loan Funds shall be disbursed at the closing of the purchase of the Property.

104. SUBORDINATION OF LOAN - This loan, and the mortgage securing it, shall be subordinate to any loan given for additional financing required for the acquisition of the Property.

SAMPLE

PART II

201. TIME FOR COMPLETION OF ACQUISITION-The acquisition of the Property shall be completed within 60 days from the Effective Date of this Agreement.

202. OCCUPANCY BY BORROWER AS PRIMARY RESIDENCE - The purpose of the lending of the Loan Funds under this Agreement is to assist the Borrower in the purchase of a home that will be occupied by the Borrower as his principal place of residence for a period of at least five years. Therefore, the Borrower agrees to live in the Property for at least five years after acquisition.

203. TERMS OF THE LOAN - This loan shall be made subject to the following terms:
A. If the Borrower lives in the Property for five years as stated above, then the entire amount of the loan shall be forgiven.

B. If the Borrower lives in the Property for less than five years, the amount of the loan shall be reduced by twenty percent for each full year that the Borrower has lived in the Property. The Borrower will be required to repay the loan in the event that the Borrower: 1) does not live at the Property for five (5) years from the date of this Note; and/or 2) sells or transfers the Property within five (5) years of the date of the Note. Repayment shall be made at the time Borrower transfers the Property or ceases to live at the Property. The repayment amount shall be the principal amount less the amount or amounts forgiven.

C. If the Borrower consists of more than one person, the condition of residency shall be met only if both or all such persons continues in residency as provided above.

204. SECURITY - Prior to the disbursement of the Loan Funds, the Borrower agrees to execute and deliver to the City in a form acceptable to the City, a promissory note for this loan and a mortgage to the Property, as security for the note and this loan. A sample copy of the promissory note is attached hereto as Contract Exhibit B and labeled “Promissory Note.” A sample copy of the mortgage is attached hereto as Contract Exhibit C and labeled “Mortgage.”

205. EVIDENCE OF REQUIRED FINANCING - Prior to the disbursement of the Loan Funds to the Borrower, the Borrower shall provide to the City evidence, satisfactory to the City, of the commitment of any financing, in addition to the Loan Funds that may be required for the acquisition of the Property, and the Good Faith Estimate and the Truth In Lending Document for the other financing.

206. PROOF OF CLEAR TITLE - Prior to the distribution of Loan Funds, the Borrower shall present evidence satisfactory to the city that the Borrower is acquiring title to the Property in fee simple absolute, free, clear and unencumbered.

207. USE OF LOAN FUNDS - The Borrower may use the Loan Funds only as specified in this Agreement.

SAMPLE

208. COMPLIANCE WITH LAWS AND REGULATIONS - The Borrower, for itself, its successors and assigns, agrees that it will comply with all applicable state, federal and City laws and regulations applicable to a project involving HOME funding including, without limitation, those itemized herein. Failure to fulfill these requirements shall subject the Borrower, its successors, assigns, contractors and subcontractors to sanction as specified by 24 CFR 135.135.

A. Lead-Based Paint - This Agreement is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 *et seq*.) and the Lead-Based Paint Regulations (24 CFR Part 35). The use of lead-based paint is prohibited whenever HOME Grant funds are used directly or indirectly for the construction, rehabilitation, or modernization of residential structures. Immediate lead-based paint hazards existing in residential structures assisted with Block Grant funds must be eliminated, and purchasers and tenants of assisted structures constructed prior to 1950 must be notified of the hazards of lead-based paint poisoning.

B. Compliance with Flood Disaster Protection Act - This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the Assistance provided under this Agreement is approved for acquisition for construction purposes as defined under Section 3(a) of said Act, for use in any area identified by the Secretary as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 *et seq*., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance required with respect to financial assistance for acquisition for construction purposes under Section 102(2) of Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

C. Compliance With the Fair Housing Act - This Agreement is subject to the requirements of the Fair Housing Act, as amended, 42 U.S.C. 3601 et seq.

D. Compliance With Title VII of the Civil Rights Act of 1962 - This Agreement is subject to Title VII of the Civil Rights Act of 1962, 42 U.S.C. 2000d *et seq*.

E. Regulations - This Agreement is subject to the following regulations:

(1) Provisions of Executive Order 11063, as amended by Executive Order 12259 and regulations pursuant thereto at 24 CFR Part 107 (anti-housing discrimination provisions.)

(2) The provisions of Executive Order 11246, as amended by Executive Order 12086 and the regulations pursuant thereto at 41 CFR Chapter 60 (anti-employment discrimination provisions).

DRAFT

(3) The regulations at 24 CFR Part 24 (prohibiting the use of debarred, suspended or ineligible contractors or subrecipients).

209. CONFLICT OF INTEREST - No member, official or employee of the City shall have any personal interest, direct or indirect, in the subject matter of this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly interested. The Borrower is further subject to the conflict of interest prohibitions set forth in 24 C.F.R. Section 570.611.

210. NO ORAL REPRESENTATION - All of the terms and conditions of the Agreement between the parties hereto are stated herein.

211. PARTIAL INVALIDITY - A provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

212. EFFECT OF AGREEMENT - This Agreement shall become effective on the execution hereof by both the City and the Borrower and shall be binding on and shall inure to the benefit of the City and the Borrower and their respective executors, administrators, heirs, successors and assigns, as the case may be.

213. FORBEARANCE NOT A WAIVER - Any forbearance by the City with respect to any of the terms and conditions of this Agreement or the related restrictive covenant, if applicable, shall in no way constitute a waiver of any of the City's rights or privileges granted therein.

214. NON-PERFORMANCE -

A. The City may terminate this Agreement and such additional supplemental Agreements hereafter executed, in whole or in part, and may recover any Block Grant funds at its discretion if Borrower:

(1) Violates any provision of this Agreement: or

(2) Violates any provision of the Housing and Community Development Acts of 1974 and 1977, as amended; or

(3) Violates any applicable regulations or terms and conditions of approval of the applications that the Secretary of HUD has issued or shall subsequently issue during the period of this Agreement; or

(4) Fails to complete performance of contract obligations in a timely manner.

(5) Default by the Borrower in the terms of this agreement, not cured within thirty (30) days written notice from the City, shall be grounds for the City to declare the loan immediately due and payable. The City shall also require the Borrower to transfer to the City any CDBG funds on hand at the time of termination, any accounts receivable, and/or any other collateral assets attributable to the use of CDBG funds until all damages are remedied resulting from Borrower non-performance.

B. The City also reserves the right to seek any other legal financial remedies as necessary pursuant to any damages the City may have encountered through the Borrowers default on any of the Contract obligations until all or part of the City's prior payments have been recouped as the City deems appropriate but not to exceed the total amount of any prior payments.

SAMPLE

C. The City also reserves the right in the event of non-performance on this Agreement to prohibit any future or limited contractual relationships with the Borrower either directly or indirectly and/or to file necessary liens as may be necessary against the Borrower's assets or future assets, until the Borrower satisfactorily fulfills its obligations under the Contract or satisfactorily reimburses the City for any prior payments.

215. EFFECTIVE DATE - This Agreement shall become effective as of the date it has been executed by both the Borrower and the City.

The City of Cincinnati has executed this Agreement on _____, and ***THE BUYER*** has executed this Agreement on _____.

Recommended By:

_____

Director, Department of Community & Econ. Development

Approved:

_____

Community Development Administrator

Approved as to Form:

_____

Assistant City Solicitor

City Of Cincinnati

_____

Printed name:_____

City Manager

BORROWER

_____

THE BUYER

SAMPLE

CONTRACT EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

SAMPLE

CONTRACT EXHIBIT B
Promissory Note

Date:_____

$_____.00

Cincinnati, Ohio

FOR VALUE RECEIVED, the undersigned ("Maker") hereby promises to pay to the order of the **CITY OF CINCINNATI**, located at 801 Plum Street, Cincinnati, Ohio 45202, or at such other place, or to such other party as the holder of this Note may from time to time designate in writing, the principal sum of _____ and 00/100 Dollars ($_____.00) or so much thereof as may be advanced hereunder and remain unpaid upon the following repayment terms and conditions:

1. This Promissory Note (the "Note") will be secured by a mortgage (the "Mortgage") on the property located at _____ (the "Property").

2. This loan is a deferred, forgivable loan. If the Maker lives in the property at _____ for five years from the date of this Note, then the loan will be forgiven, this Note will be canceled, and the Mortgage will be released. Twenty percent (20%) of the principal amount of the loan shall be forgiven annually on the anniversary date of this Promissory Note. The amount or amounts forgiven shall not be prorated.

(An example of the non-proration provision: If a Maker sold the Property two years and six months after the date of the Promissory Note, the amount forgiven would be Forty percent [40%] of the original principal amount of the loan, NOT Fifty percent [50%].)

3. The Maker will be required to repay the loan in the event that the Maker: 1) does not live at the Property for five (5) years from the date of this Note; and/or 2) sells or transfers the Property within five (5) years of the date of this Note. Repayment shall be made at the time Maker transfers the Property or ceases to live at the Property. The repayment amount shall be the principal amount less the amount or amounts forgiven.

(For example: If a Maker borrowed $14,000 and sold the Property more than 2 years but less than 3 years from the date of the Promissory Note, the Maker would be required to repay 60% of the loan or $11,200.)

SAMPLE

4. Prepayment of the principal due under this Note may be made in whole or in part at any time without premium or penalty. Any such prepayments shall be applied first to late charges, if any, then to accrued interest then due and owing, and then to principal.

5. All of the terms, covenants, provisions, conditions, stipulations, promises, and agreements contained in the Mortgage to be kept, observed, and performed by the Maker are hereby made a part of this Note and incorporated herein by reference to the same extent and with the same force and effect as if they were fully set forth herein and the Maker promises and agrees to keep, observe, and perform them or cause them to be kept, observed, and performed, strictly in accordance with the terms and provisions thereof.

6. Upon any default in the payment of any installment of interest, principal, or any other sum when due under this Note, which default is not cured within ten (10) days after Maker is given written notice thereof, or upon the happening of any default or Event of Default described or incorporated in the Mortgage and the expiration of the applicable notice and cure period, if any, contained in this Note, the entire principal sum hereof and accrued but unpaid interest hereon may, at the sole option of the holder hereof, be declared at once due and payable, time being of the essence of this obligation. Failure of the holder hereof to exercise this option in the event of any such default or Event of Default shall not constitute a waiver of the right of the holder to exercise the same in the event of a subsequent default or Event of Default.

7. All parties to this Note hereby waive presentment for payment and notice of dishonor.

The Maker has duly executed this Note as of the day and year first above written.

NAME

_____
(Print or Type Name)

SAMPLE

CONTRACT EXHIBIT C

MORTGAGE

(O.R.C. 5302.12)

_____ *[name(s)]*, _____ *[marital status]*, Mortgagor(s) of _____ *[mailing address]*, in consideration of _____ ($_____) *[amount of loan]* grant(s), with mortgage covenants, to the City of Cincinnati, of 801 Plum Street, Cincinnati, Ohio, the following real property (the "Property"):

LEGAL DESCRIPTION

Mortgagor claims title to the Property by virtue of a deed recorded in Official Record Book _____, Page _____, Hamilton County, Ohio Recorder's Office

This mortgage is given, upon the statutory condition, to secure the payment of _____ dollars as provided in a promissory note of the same date. The terms of the promissory note include provision for forgiveness such that if the Mortgagor lives in the Property for five years from the date of the promissory note, then the loan will be forgiven, the promissory note canceled, and this Mortgage will be released. Twenty percent (20%) of the principal amount of the loan shall be forgiven annually on the anniversary date of the promissory note.

Executed this _____ day of _____,_____.

_____
[typed name of Mortgagor]

STATE OF OHIO, COUNTY OF HAMILTON, SS:

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by *[name(s) of Mortgagor(s)]*.

_____
Notary Public, State of Ohio

approved as to form:

_____
Assistant City Solicitor

SAMPLE

Cincinnati Neighborhoods Listing

Avondale
Bond Hill
California
Carthage
Camp Washington
Clifton
Clifton Heights*
College Hill
Columbia Tusculum
Corryville
Covedale
Downtown
East End
East Price Hill
East Walnut Hills
East Westwood
English Woods
Evanston
Fairview*
Hartwell
Hyde Park
Kennedy Heights
Linwood
Lower Price Hill
Madisonville
Millvale
Winton Place
Mt. Adams
Mt. Airy
Mt. Auburn
Mt. Lookout
Mt. Washington
North Avondale
North Fairmount
Northside
Oakley
Over-The –Rhine
Paddock Hills
Pendleton
Pleasant Ridge
Price Hill
Queensgate
Riverside
Roselawn
Sayler Park
Sedamsville
South Cumminsville
South Fairmount
Spring Grove Village
University Heights*
Walnut Hills
West End
West Price Hill
Westwood
Winton Hills

Clifton Heights, University Heights, and Fairview are often collectively referred to as "CUF".

American Dream Downpayment Initiative (ADDI)
Loan Subordination Requirements

The City will not subordinate to adjustable-rate loans or for the purposes of consolidating debt or "cashing out". To determine your eligibility and begin the subordination process, it is required that the following documents are submitted:

- ❑ A subordination fee of $250 in the form of a cashier's check or money order made payable to the "City of Cincinnati" must be received with the request.
- ❑ A signed letter from the borrower stating the reason for the subordination request, new loan amount, lender, and the property address; this letter should also acknowledge that the borrower will not realize a cash payment from the refinancing.
- ❑ Copy of the mortgage to be refinanced and any assignments thereof (recorded versions)
- ❑ Copy of the recorded title deed (including legal description)
- ❑ Recorded copy of the City's Mortgage that is to be subordinated
- ❑ Copy of the current market value appraisal of the property or other document used by the lender to substantiate the value. To be considered current by the City, appraisals must have been completed no later than three months prior to the date of requesting the loan subordination from the City; Loan to value may not exceed 100%
- ❑ Copy of the TRID Loan Estimate and Transmittal Summary (underwriting document)
- ❑ Copy of the proposed New Mortgage and Note, if available, for which the subordination is being requested (including lender's name and amount of new mortgage)
- ❑ Copy of the TRID Closing Disclosure.

Except for the HUD settlement statement, once the City has received the above items and a borrower's eligibility has been determined, the City will issue a "Letter of Intent" in lieu of drafting the subordination agreement. Please note that this agreement must be signed by the City Manager and will only be released upon receipt of a TRID Closing Disclosure. The City will make best efforts to process and complete a subordination request within <u>two to three weeks</u> from the date all the necessary documentation has been received. All documents including the subordination fee should be mailed to:

ADDI Program
Department of Opportunity and Resident Services
805 Central Avenue, Suite 700
Cincinnati, Ohio 45202
Phone: (513) 352-6146

American Dream Downpayment Initiative (ADDI)
FAQ Sheet

What is the ADDI program and what does it do? It is a down payment assistance program that provides funding in amounts of $10,000, $12,000, or $14,000 based on the applicant's household income to be used for the purchase of a home in the City of Cincinnati.

How do I get started? You can obtain an ADDI application packet and online at **https://www.cincinnati-oh.gov/DORS/** or by contacting the Department of Opportunity and Resident Services at (513) 352-6146. Incomplete applications will be returned.

Who is the ADDI program for? The ADDI program is for first-time homebuyers that have been pre-approved for a mortgage loan and that have low to moderate household income. Please refer to ADDI application or program guide for income limits. All household income must be documented. Evidence of a mortgage approval must be submitted with the ADDI application. Please refer to the application packet or program guide for other required documentation.

Special Consideration: Exceptions to the first-time homebuyer requirement can be made for applicants that are acquiring a home where the City has funded its new construction or rehabilitation.

I have a job where I do not receive pay stubs. Will I still have a chance to participate? If you do not receive pay stubs through your line of work. We may request tax returns to support what the income is stated to be. With the information received, if we are unable to adequately determine or verify income, the assumption will be made that you are over-income and approval will be denied based on a lack substantial information.

Do I have to pay ADDI funds back? ADDI funds are forgivable loans that are to be paid back **only** (in whole or in part) if the property is sold or transferred before the fifth anniversary of the closing date. Homebuyers awarded ADDI funds must maintain the property as their primary residence for five years to avoid any repayment. ADDI funds are forgiven at a rate of 20% annually over a five-year period considering that the homeowner maintains the property as his/her primary residence for the term of the loan.

Special Consideration: ADDI applicants that are buying a home that was either constructed or renovated with federal HOME funds from the City could be subject to a residency requirement greater than five years based on the amount of funds federal HOME invested in the home.

Can I use this program to purchase a home outside of the City of Cincinnati? No. The City's ADDI program only supports homeownership within the city limits. If there is a question about the eligibly of a particular address, please contact the Department of Opportunity and Resident Services for verification.

Does ADDI work with acquisition/rehab loans? Acquisition/rehab loans are not suggested because ADDI funds will only be awarded for a house that passes a City housing code inspection.

Do I have to pay for the City inspection? No, however, it is the homebuyer's responsibility to obtain any other inspection services associated with buying the home (i.e., whole home; termite, etc…). The City's inspection is not meant to substitute a whole house inspection and the City will not be held liable for applicants that choose not have the home inspected by private certified professionals. **Please see the attached ADDI Pre-inspection checklist for details on what items will be reviewed as part of the City's ADDI inspection.**

I want to refinance my house bought with ADDI funds; will the City of Cincinnati subordinate its loan? Yes, but the City will only subordinate its loan in favor of a better rate or term for the homeowner. The City will not subordinate to consolidate debt or to "cash out". ADDI subordination guidelines are listed in the Program manual.

Am I allowed to receive cash back at closing?
No. ADDI participants are not allowed to receive cash back at closing. Any potential cash back can be used for a principal reduction or other closing costs. If this cannot be accomplished, the refund amount will have to be deducted from the ADDI funds.

How long does the process take to receive funding? Contingent on meeting all ADDI requirements, it can take anywhere from 30-45 days to have ADDI funds disbursed after the City receives a copy of the fully executed purchase contract. Please take this into consideration when setting a closing date.

I already have a purchase contract on a house and a friend just told me about the ADDI program; can I still apply? No. If you are seeking down payment assistance you must apply and be approved for participation in the ADDI program prior to signing a contract to purchase.

How long is the ADDI approval letter valid? An applicant has 90 days to present to the City a fully executed contract to purchase before the approval letter expires. One 45-day extension can be requested in writing if this deadline cannot be met. If a purchase contract is received, but a closing is not held within **6 months** of the date of the initial ADDI approval letter, the applicant will be required to reapply so the City can verify continued eligibility.

Do I have to participate in homebuyer counseling? Yes. It is required that you complete HUD-certified homebuyer counseling to receive funding. Certificates older than 18 months will not be honored. Refer to the program manual for a list of acceptable agencies offering counseling.

Do you provide a list of lenders or realtors? It is left to the discretion of the applicant to choose a lender and realtor that is suitable and willing to work with them and within the ADDI guidelines.

Does the ADDI Program work with FHA and conventional loans? Yes, but with any loan, we reserve the right to deny or terminate eligibility if the loan is suspected to be subprime or does not meet our debt-to-income requirements (33%/45%). Adjustable-Rate Mortgages (ARMs) are not permitted.

Can ADDI be used with other assistance programs? Yes, however all ADDI requirements will still have to be met and you must notify the City of the program in question and the City will determine whether ADDI can be used in conjunction.

I am separated; do I still have to include my separated spouse on the ADDI application?
Yes, separated couples will be treated as married couples unless there is a legal separation agreement. The City reserves the right to review legal documentation in making a final determination.

Are non-occupying co-borrowers/co-signers permitted if I cannot obtain financing by myself? The ADDI applicant(s) must be able to afford the mortgage on their income only. Non-occupying co-borrowers are permitted only if the lender is using the co-borrower as added security. This can be in the case of insufficient credit and/or short or sporadic work history. Applicants whose monthly income cannot support a monthly mortgage cannot utilize a non-occupying co-borrower for the sake of securing financing to receive ADDI funds. Non-occupying co-borrowers are <u>not</u> permitted to be on the deed at purchase.

ADDI- PRE-INSPECTION CHECKLIST*

**This checklist contains the more common defects. Review the Cincinnati Housing Code in the Cincinnati Municipal Code- Chapter 1117 - HOUSING CODE for additional information*

Address: _____

Date: _____

EXTERIOR

CHIMNEY

- ☐ Cracked or broken chimney cap
- ☐ Defective flue liner
- ☐ Missing or defective mortar or bricks
- ☐ Missing clean out for flue

ROOF, GUTTERS AND DOWNSPOUTS

- ☐ Defective or missing roofing material
- ☐ Deteriorated flashing or valleys
- ☐ Deteriorated built-in gutters
- ☐ Defective or missing gutters and downspouts
- ☐ Defective awnings or canopies

EXTERIOR SURFACES

- ☐ Missing or defective siding
- ☐ Defective trim, fascia or eave boards
- ☐ Significant peeling paint

MASONRY & FOUNDATION WALLS

- ☐ Defective or missing mortar
- ☐ Defective or missing bricks or blocks
- ☐ Serious cracks or bows in foundation walls
- ☐ Foundation not watertight or water damaged

PORCHES AND ATTACHMENTS

- ☐ Defective or missing boards in porch floors, skirting, trim or ceilings
- ☐ Defective or missing step treads, risers or stringers
- ☐ Defective or missing handrails, balusters or guardrails
- ☐ Defective porch columns, joists, rafters, and other structural elements

WINDOWS & DOORS (exterior & interior)

- ☐ Doors and windows are drafty or not maintained weathertight
- ☐ Defective window sashes
- ☐ Inoperable windows or doors,
- ☐ Missing or cracked windowpanes
- ☐ Missing or defective door or window trim, sills or casings, split jambs
- ☐ Missing or defective hardware (locks, latches, doorknobs, hinges, etc.)
- ☐ Significant peeling paint unprotected windows or doors
- ☐ Missing the required bedroom or bathroom doors for privacy

YARD WALKS & STEPS, PAVED AREAS

- ☐ Defective steps – broken concrete, uneven trip hazard
- ☐ Missing handrails on more than 4 risers
- ☐ Defective yard walk – cracked and disjointed concrete, trip hazard
- ☐ Paving or yard drains clogged

- ☐ GARAGES/ SHEDS/ ACCESSORY STRUCTURES
- ☐ Defective walls, roof, gutters, or siding
- ☐ Structural failures
- ☐ Defective trim, fascia or eave boards, windows or other deteriorated parts
- ☐ Defective or inoperable doors, unsecured and open to trespassers
- ☐ Peeling paint, unsafe conditions
- ☐ Defective leaning or failed retaining walls
- ☐ Unmaintained or unsafe fences
- ☐ Swimming pool not adequately enclosed

YARD & PREMISES

- ☐ Condition of yard, outdoor storage and sanitation
- ☐ Soil erosion or landslide/hazardous earth condition
- ☐ Accumulation of rubbish and/or garbage
- ☐ Overgrown weeds, grass, trees or bushes
- ☐ Unlawful exterior storage
- ☐ Unsafe trees, dead trees, or dead tree limbs
- ☐ House Numbers not visible on the exterior

Continued Overleaf

INTERIOR

Address: _____

Date: _____

GENERAL

- ☐ Insect, mice or rat infestation
- ☐ All hallways, stairways, entrances are not properly illuminated

SAFETY & FIRE PROTECTIVE FEATURES

- ☐ Smoke detectors not properly installed non-functional. (Requires one detector on each level including basements and attics and located in the immediate vicinity of sleeping rooms.)
- ☐ CO detectors improperly installed or inoperable
- ☐ Defective or missing required fire alarm systems, test records not up to date per fire code
- ☐ If a Sprinkler System is required, test records not up to date per fire code
- ☐ All hallways, exists, stairways, doorways, elevators, accessible routes, etc. free of obstructions, trash/litter and clutter
- ☐ Required fire doors not well fitted, do not self-close, do not self-latch
- ☐ Fire escapes not professionally examined per Building Code Chapter 1127
- ☐ Multiple dwelling more than two stories does not have two separate & remote means of egress.

INERIOR STAIRWAYS

- ☐ Defective or missing handrails, balusters or guardrails
- ☐ Inadequate illumination from dusk until dawn
- ☐ Defective or missing step treads, risers or stringers
- ☐ Defective or loose stairway carpet or floor coverings
- ☐ Defective stairway supports or landings

WALLS AND CEILINGS & FLOORS

- ☐ Walls and ceilings not structurally sound
- ☐ Defective plaster, drywall, or other surface materials
- ☐ Defective, peeling, loose, paint
- ☐ Floors are not structurally sound
- ☐ Floor coverings are not intact and create a trip hazard
- ☐ Space beneath sinks are not maintained impervious and clean

PLUMBING

- ☐ Defective fixtures, sinks, faucets, toilets, showers, tubs, etc.
- ☐ Defective water heater, laundry sinks, supply lines.
- ☐ Inadequate water pressure, improperly connected water lines, missing water lines, or water leaks
- ☐ Missing traps, defective waste lines, or clogged/ slow drainage or back up
- ☐ Defective or illegal or unsafe gas piping, uncapped gas valves
- ☐ Hot & cold water not supplied to all fixtures

ELECTRICAL

- ☐ Light fixtures not working intact covers/shades
- ☐ Electrical receptacles and switches not functioning and in good state of repair
- ☐ over-fusing /improper wire size
- ☐ Service panels not intact and have improper working clearance
- ☐ Defective, illegal or open wiring
- ☐ Illegal use of extension cords
- ☐ Illegal electrical installations

HEATING, VENTALATING AND AIR CONDITIONING

- ☐ Defective/ non-functional furnace or boiler
- ☐ Defective vent piping (chimney connector) for gas, oil or solid fuel burning appliances
- ☐ Illegal wiring or installation of equipment
- ☐ Equipment undersized inadequate to heat the unit
- ☐ Carbon Monoxide leaks
- ☐ Unvented solid fuel burning space heaters in use

BASEMENTS & ATTICS

- ☐ Basement being used as sleeping area when not approved as habitable room below grade.
- ☐ Improper storage, clutter or debris
- ☐ Illegal construction/ use in attic_____ Basement_____
- ☐ Significant water or moisture intrusion
- ☐ Lack of adequate ventilation
  Lack of proper exit

REV04-04-2025