

## **EASTSIDE TAD AFFORDABLE HOUSING PURCHASE PROGRAM FREQUENTLY ASKED QUESTIONS**

**1. What is the annual gross income cap?**

Household Size	Income Limit
1 Person	\$39,850
2 Person	\$45,550
3 Person	\$51,250
4 Person	\$56,950
5 Person	\$61,500

**2. What will I pay for an affordable unit?**

	Maximum Sales Price
1 Bedroom	\$144,000
2 Bedroom	\$155,000

**3. How and when is the value of the soft second (ghost) mortgage determined?**

The ADA subsidy, which is a soft second mortgage, is equal to the difference between the market price and the affordable price (as outlined above) for the unit. The value of the soft second mortgage is determined at the completion of the third (3<sup>rd</sup>) party appraisal (conducted by the first mortgage lender).

**4. Do I pay any interest on the soft second mortgage?**

No. The soft second mortgage is non-interest bearing.

**5. Is the soft second mortgage ever forgiven?**

Yes, the mortgage is forgiven fifty (50) years after closing.

**6. Is there a minimum income?**

No; however, ALL income MUST be fully disclosed and analyzed by the approved lender.

**7. Is it okay if I make more than the annual gross income cap at closing?**

You must meet income qualifications when you sign the income affidavit, which will occur no more than 30 days prior to closing.

**8. What proof of income and household size do I need to supply? When does this need to be supplied?**

Purchaser must provide signed tax returns from the two (2) most recent years and pay stubs from the most recent month. Purchaser will sign an affidavit verifying their household size prior to closing. ALL pre-approval documentation will need to be provided to the APPROVED LENDER within 72 hours.

**9. How many residents are permitted per unit?**

ADA does not dictate the maximum number of residents permitted per unit; however the developer may have household size restrictions.

**10. Does this home need to be my primary residence?**

Yes. You must occupy this home for at least nine (9) months of the year.

**11. Can my unit be serve as a second home?**

No.

**12. May I ever lease my home?**

The purchaser is not permitted to lease their home unless the soft second mortgage has been repaid to ADA.

**13. Does this have to be my first home purchase?**

No.<sup>1</sup>

**14. May I own other (rental) property and qualify for this home?**

This is permitted if your income does not exceed the income limits and will allow an additional mortgage.

**15. Is there a limit to other assets that I can have?**

No.

**16. Are the association fees reduced for affordable buyers?**

No. Purchasers will pay the same condominium association fees as the other residents in the building.

**17. What are the taxes for these homes?**

Fulton County will be assessing all units at their market rate value. Your property taxes will reflect the value as determined by the third (3<sup>rd</sup>) party appraisal.

**18. Do I have to use specific lenders?**

Only lenders who have been approved by ADA are permitted to close loans on these units. Please request the list of approved lenders from your sales agent or ADA. Only 30-year fixed-rate mortgages are permitted on units.

**19. Is the seller contributing anything towards closing costs?**

Closing cost allowances are negotiated between the purchaser and seller.

**20. Can I roll the cost of upgrades into my loan?**

No.

**21. When do I pay for upgrades?**

All upgrades costs, terms and conditions are negotiated between the purchaser and seller.

**22. May I resell my unit at any time?**

Yes, however, if you sell your unit, the soft second mortgage will be recaptured and repaid.

**23. May I keep all the profits?**

Upon the sale of the unit, sale proceeds will be distributed in the following order:

- a. Payment of the loan
- b. Repayment of other deferred loan, if applicable
- c. Payment of soft second mortgage to ADA/Trust
- d. Remainder to purchaser

**24. Can a buyer have a co-signer for the loan?**

---

<sup>1</sup> If the unit is a part of the Oakland Park (563 Memorial Drive) or Tribute Lofts (480 John Wesley Dobbs Avenue) projects, the purchaser must be a first-time homebuyer or not have owned a home that was their principal residence within the past three years

Yes, as long as both qualify and meet all eligibility requirements.

**25. What is the earnest money requirement?**

The amount of earnest money due at contract signing is determined by the developer.

**26. Will any additional money be due at closing?**

Money due at closing will vary from borrower to borrower. ADA will require all borrowers to have a minimum of \$1,500 of their own funds in the transaction. These funds CAN NOT be a gift from a third party source.

**27. Will I be able to refinance my home and pull money out?**

The purchaser will not be permitted to obtain a home equity loan using the unit as collateral unless the soft second mortgage is paid to ADA.

**28. May I purchase an affordable unit for a third party, such as a family member?**

No. All units MUST be occupied as the primary residence of the purchaser.