



Highlights of the BALTIMORE COUNTY "SELP" Settlement Expense Loan Program \$10,000 Loan for First Time Home Buyers

This program is an effort to encourage first time homebuyers to consider home ownership in existing residential communities in Baltimore County. The program is administered by nonprofit groups and is available in designated communities. Home Buyer's Workshops and home ownership counseling are offered to potential homeowners. Settlement expense loans up to \$10,000 are available to families whose income is at or below 80% of area median, adjusted for household size:

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	105,500

BUYER ELIGIBILITY

Must be a resident of Baltimore County, employed, attend school, or agree to purchase in Baltimore County. (Example: DSELP assistance from the State of MD, State of MD Disability Loan Program, etc.) Property must be located in Baltimore County.

Buyer: Agrees to provide verifiable documentation to participate. Acceptable documents: State of MD issued Driver's License or ID, employment ID, School transcript, signed contract of sale for home purchase and two utility statements.

1. Before signing a real estate contract, completes Homebuyer Education Curriculum: Two Workshop(s) & Counseling with a Baltimore County affiliated Housing Counseling Agency *.
2. Meets Income Eligibility: 80% of area median, adjusted for household size.
3. First time homebuyer (cannot have previously owned a dwelling within the last 3 years). Exceptions can be granted for separation, divorce or death of spouse or prior ownership of documented substandard housing. Qualifies for a fixed rate mortgage with a Participating Lender. (See the *Referral List*)
5. Post purchase liquid assets cannot exceed 25% of gross annual household income.
6. Gift Contributions may not exceed 3% of the sales price.
7. Buyer's proposed post purchase housing and total debt ratios cannot exceed 31% and 43%, respectively, of the gross monthly household income.
8. Has cash equal to 5% of gross household income to contribute to purchase (see below).

PROPERTY CRITERIA

1. Existing dwelling that is owner occupied, occupied by buyer, or vacant. New construction is excluded.
2. Dwelling types: Single family detached, semi- detached, townhouse, and condominium unit.
3. Located within the mapped Community Conservation Area. This is generally described as the inner ring of suburban communities, but includes the growth areas of White Marsh and Owings Mills, and excludes rural areas.
4. Has had a satisfactory home inspection and has been certified as meeting the federal Housing Quality Standards (HQS) using an inspection firm from the County's pre-qualified list. The HQS certification provides assurance to the County that the dwelling is free from hazardous defects and meets basic standards for safety and livability. All noted deficiencies must be corrected and verified prior to SELP Loan approval. The home inspection and HQS certification fee can be included as part of the buyer's minimum cash contribution.
5. Down-payment, beyond the required minimum cash contribution specified, unless prohibited by the first mortgage lender
6. The cost of repairs required to correct HQS identified deficiencies may be Included in the borrowers maximum loan amount up to \$2,500 when such repairs are done by a licensed contractor.

SELP LOAN TERMS

1. SELP Loan Amount: Minimum \$1,000, Maximum \$10,000.
2. Buyer's minimum cash contribution: 5% of gross annual household income.
3. SELP Loan- Loan is deferred for seven (7) years ("Affordability Period "). Thereafter, the loan is forgiven after 7 years, unless sale, transfer of title or default occurs before the end of the (Affordability Period) 7 years.
4. Primary Loan- Loan principal is repayable upon the earlier to occur of sale, transfer, refinance, default on primary loan, or discontinuance of borrower occupancy in the home.
5. If the property is being purchased as leasehold, the ground rent must be redeemed using closing cost funds.

Note: Official *SELP PROGRAM GUIDELINES & PROCEDURES* adopted by the Baltimore County Office of Planning take precedence and clarify the details of the information presented here.

= **EQUAL HOUSING LENDER** =

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Purchase Price cannot exceed \$266,000.00