



**This information was created to help you better understand the assistance a borrower will receive through the metroDPA Program.**

The metroDPA Program offers a 30-year, fixed-rate home loan (*first mortgage*) AND down payment and closing cost assistance. The assistance may be in the form of a grant or a loan. The following provides details for the loan, which is in the form of a 0% interest, 30-year deferred loan (*second mortgage*).

### **What is a second mortgage?**

A second mortgage is a lien placed on the property for a specific amount of time. In this case, the amount of time is 30 years after the date of closing on the home.

### **What does deferred mean?**

A borrower will not make any payments on the assistance received **UNLESS**:

- the first mortgage is paid off due to sale or refinance.
- the borrower ceases to live in the property as their principal residence.
- the second mortgage has been outstanding for the full 30 years.

### **How much assistance does this program offer?**

The amount of assistance a borrower may receive varies and is based on market conditions, qualifying income, and loan product (FHA, VA, USDA or Conventional). As an example, if a borrower were to purchase a home and their loan amount was \$300,000, if they use the FHA loan product and receive 4% of down payment and closing cost assistance, the borrower will receive \$12,000 which can be used for down payment and/or closing cost assistance.

### **What can I use the Assistance for?**

The assistance may be used for down payment, closing costs, prepaids or principal reduction.

### **The Assistance cannot be used for...**

Covering the cost difference between the sales price and appraised value, to payoff of any borrower's debt, or pay for any portion of the realtor commission or fees.