


## Community Housing Development Organization (CHDO) Home Ownership Program

### City of Watertown, New York

	Original Purchase Price	\$ 49,340.00
	Rehabilitation Cost	17,500.00
	Carrying Cost	8,967.00
	First Mortgage (HSBC)	\$ 48,000.00
	Owner Contribution	1,707.00
	CHDO Home Ownership Financing	26,100.00
<b>Total Cost and Financing</b>		<b>\$ 75,807.00</b>

This future home buyer's landlord would not renew her lease because he could charge more rent to soldiers from Fort Drum. She located this house and it was purchased and rehabilitated through this program. When work was completed she purchased the property and became a home owner.

<b>Property Purchased by Neighbors of Watertown:</b>		
Single-Family House For Sale at		\$45,000
Closing Costs (Abstract, Survey, Title, Legal, Recording)		2,800
Carrying Costs (Taxes, Insurance, Utilities)		<u>2,200</u>
Cost to the Developer ("Purchase Price")		\$50,000
Rehabilitation Improvements Required		\$12,000
<b>Interim Financing:</b>		
DANC Revolving Loan Fund	(0% Interest)	\$62,000
<b>First-Time Home Buyer:</b>		
4-Person Family with Household Income at		\$24,500
Cash Available for Downpayment & Closing		2,000
Current Monthly Debt Obligations		165
<b>Permanent Financing Plan:</b>		
Bank Mortgage (80% of "Purchase Price")		\$40,000
Buyer's Cash Contribution (3% Downpayment)		1,500
HOME Loan (Principle Reduction, Closing Cost, Escrow)		<u>10,533</u>
Total Financing		\$52,033
HOME Grant (Rehabilitation Cost)		\$12,000
<b>Affordability Analysis:</b>		
Bank Mortgage Payment (20 yrs. @ 8% APR)		\$ 335
HOME Loan Payment (20 yrs. @ 3% APR)		63
Real Estate Taxes and Insurance (Monthly Escrow)		<u>170</u>
Monthly Housing Expense (Income Ratio @ 28%)		\$ 568
Monthly Debt Service Requirement		<u>165</u>
Housing Expense & Debt Service (Income Ratio @ 36%)		\$ 733

This property was sold at a price equal to the cost incurred by the Developer (excluding rehabilitation expenses). The buyer secured a conventional bank mortgage equal to 80% of the "price" and contributed cash equal to 3% of that "price". The HOME Loan will cover the balance of the "purchase price" plus closing costs and tax escrow. HOME funds will also be available in the form of a grant to cover the cost of the rehabilitation improvements. The HOME Loan will be repaid with interest at 3% APR over a term of 20 years.