

## Why do some people choose to buy a home vs. rent an apartment?

A series of recent Gallup polls show that home ownership remains important to Americans, and the reasons are beyond financial motives! Here are the top financial and non-financial beliefs and motives for owning a home:

1. Home ownership is considered to be a financial investment.
2. Home ownership provides financial benefits such as equity and an improved credit rating.
3. Home ownership is perceived as being wiser than renting.
4. Home ownership is cheaper than renting in many markets.
5. Home ownership provides financial security and stability.
6. Majority of Americans believe in home ownership as a positive step for well-being.
7. Renting is not as desirable as owning a home.
8. Home ownership is a better family situation.
9. Home ownership allows more personal freedoms.
10. Pride of ownership and in community.

### HOMEBUYER EDUCATION

Applicants must attend and submit a completion certificate from one of the following approved course providers:

**Neighborworks**  
801-539-1590

**AAA Fair Credit Foundation**  
1-800-351-4195

**CDCU**  
801-994-7222

Online: [www.CDCUTAH.org](http://www.CDCUTAH.org) (Framework)

## Home Ownership



Document Produced by:  
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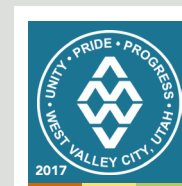
## Home Ownership

# West Valley City Down Payment Assistance

4522 West 3500 South  
West Valley City, Utah  
(801) 963-3369

West Valley City  
Community Preservation Department  
Grants Division  
4522 West 3500 South  
West Valley City, UT 84120

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# Program Overview

## AVAILABILITY OF FUNDS

Funds are processed and given on a first come, first served basis and/or depletion of funds.

## ELIGIBLE APPLICANTS

All applicants must meet income guidelines, debt ratio requirements, and be a qualified first-time home buyer in accordance with Code of Federal Regulations (CFR). \*

## INCOME LIMITS

Income for all household members over the age of 18 will be included in the total household income calculation. Possible sources of income include, but are not limited to: Pay stubs, SSI/SSA yearly statement, profit & Loss Statement (if self-employed), child support, alimony, etc.

HUD income limits are updated annually. Program specific maximum income limits for the current fiscal year can be found: [www.wvc-ut.gov/grants](http://www.wvc-ut.gov/grants)

## REQUIRED FUNDS

The applicant is required to provide a minimum \$2,000 cash out-of-pocket for the purchase. The funds must be documented by the owner and cannot be gifted, provided by the seller, realtor, etc. Proof of these funds availability must be identified at the time of application submission with a bank statement, 401K statement or other acceptable form.

## ELIGIBLE HOMES

Only owner-occupied units located within West Valley City limits are eligible for consideration. Existing single-family homes, condos and town-homes that have had at least one prior owner/occupant are eligible. New construction homes are not permitted.

*\*Qualified first-time home buyer:* In accordance with Code of Federal Regulations (CFR), a First-time home buyer is defined as: (a) An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase (closing date) of the property. (b) An individual that has been displaced. (c) An individual who has only owned a principal residence not permanently affixed to a permanent foundation (mobile home).

## CREDIT RATING

The applicant, and co-applicant must have a minimum FICO credit score rating of 550 at the time of application submission.

## DEBT RATIOS

Housing debt (Front End) cannot exceed 31% of the household monthly gross income. Housing debt or "PITI", includes taxes, insurance, principle payment and HOA fees of the new home loan.

Total debt (Back End) cannot exceed 43% of the household monthly gross income. This includes existing monthly debt payments and monthly payment of the new home loan.

## ELIGIBLE LOANS

Only 30-year fixed rate loans are acceptable in the program. No ARM's, owner-financed, or other loans are allowed. In the case of refinancing, only 30-year fixed rate; no cash out streamline loans are allowed. FHA, VA Conventional, etc. loans are acceptable. Non-occupant co-signers are not permitted.

## ASSISTANCE PROVIDED

West Valley City will provide a \$7,500.00 grant to qualified low-to-moderate income families for the purchase of a home. Grants are on a "First Come - First Qualified" basis while funds are available. The City will retain a second position on the loan and will only subordinate under hardship reasons, such as: Job loss, significant reduction of income, catastrophic events. Or if refinancing will eliminate unreasonable fees, or decrease the interest rate by one (1%) percent or more.

*Purchase commitment (offer submitted, agreement, bid and/or contract) initiated prior to the applicant receiving written notice of program approval will result in automatic disqualification for the grant program.*

Download a copy of the complete application and information booklet at [www.wvc-ut.gov/grants](http://www.wvc-ut.gov/grants)

# Application Checklist

## REQUIRED APPLICANT/PURCHASE INTENT INFORMATION:

- Completed West Valley City Application
- Verification of Loan Pre-Approval from lender (dated within 30 days)
- Income Analysis from lending institution
- Loan Estimate / Loan Fee Worksheet from lending institution

## HOUSEHOLD INFORMATION (REQUIRED FOR EACH ADULT 18YRS OR OLDER):

- Valid government issued photo I.D.
- Proof of Income (last 60 days)
- Checking & Savings Account Statements (last 60 days)
- Federal Tax Returns (last 2 years - complete)
- Divorce Decree (if applicable)
- Bankruptcy (if applicable)

### NOTICE:

*Purchase commitment (offer submitted, agreement, bid and/or contract) initiated prior to the applicant receiving written notice of program approval will result in automatic disqualification for the grant program.*

