

## Frequently Asked Questions (FAQ) - City of New Albany Homeownership Assistance Program

### 1. What is the Homeownership Assistance Program?

The City of New Albany's Homeownership Assistance Program provides financial assistance of up to \$10,000 to eligible first-time homebuyers for purchasing a single-family home within city limits. The assistance is in the form of a forgivable loan, which is forgiven over five years if the home remains the applicant's primary residence.

### 2. Who is eligible for this program? Applicants must meet the following criteria:

1. **New Albany Resident:** The applicant must already live within New Albany city limits.
2. **Housing Counseling:** Applicants must complete a certified housing counseling program through the New Albany Housing Authority within the past six months.
3. **Financing:** A pre-qualification letter from a bank or lending institution is required.
4. **Property Eligibility:** The home must be a single-family dwelling within New Albany city limits and must not displace existing residents.
  - a. Must have a valid purchase agreement with at least 45 days to close.
  - b. Must submit an appraisal, title opinion, and formal loan approval letter.
5. **Agreement Terms:** The applicant must occupy the home as their principal residence for at least five years.
6. **No City Employee Relation:** An applicant cannot be related to any current City of New Albany Employee.

### 3. How do I apply?

- Request an application from Keeton Gibson at [kgibson@cityofnewalbany.com](mailto:kgibson@cityofnewalbany.com)
- Complete and submit the application along with the required documents.
- The Department of Redevelopment will determine preliminary eligibility and verify income.
- Once eligibility is confirmed, an approval letter is sent to the applicant and their bank.

### 4. What costs are covered by the program?

- Reimbursement of 50% of the required home inspection cost (deducted from the total assistance amount).
- Up to \$10,000 in assistance for down payment and closing costs.
- The loan must be in second position behind a primary mortgage.

## **5. What types of properties qualify?**

- The home must be a single-family residence within New Albany city limits.
- It cannot be tenant-occupied at the time of purchase unless the tenant is the buyer.
- The home cannot be under a rent-to-own agreement or contract for deed.

## **6. What are the program's home inspection requirements?**

- The home must be inspected by a certified inspector (e.g., ASHI-certified).
- Any identified code deficiencies must be addressed within 90 days of closing.
- Proof of payment for the inspection must be submitted to staff to along with a complete W-9 for reimbursement.

## **7. What happens at closing?**

- The settlement statement must be received five business days before scheduled closing to be reviewed for accuracy
- The assistance funds will be delivered to the title company before closing.
- A lien will be placed on the home after closing, which will be released after five years if all program requirements are met.

## **8. What are the occupancy requirements?**

- The applicant must occupy the home as their primary residence within 90 days of closing.
- The home must remain the applicant's primary residence for at least five years.
- If the home is sold before five years, a prorated portion of the loan must be repaid.

## **9. Where can I find a Certified Housing Counseling Program?**

Applicants must complete a housing counseling course through the Family Self-Sufficiency (FSS) program, which is locally run through the New Albany Housing Authority. You can sign up for the course [here](#).

## **10. What happens if I fail to meet the occupancy requirement?**

- The full assistance amount must be repaid within 30 days of notification.
- Interest at a 3% annual rate will accrue from the closing date until repayment.
- A lien equal to the assistance amount will remain on the property until repayment.
- The City reserves the right to pursue legal action for non-payment.
- Applicants may appeal within 15 days, citing extenuating circumstances for review.
- Exceptions may be granted for verified emergencies.

## **11. Who should I contact for more information?**

For more details or to request an application please contact Keeton Gibson at [kgibson@cityofnewalbany.com](mailto:kgibson@cityofnewalbany.com) or (812)948-5333 ext. 151