

Lowcountry Housing Trust Affordable Housing Subsidy

As of September 2009

	AFFORDABLE HOUSING SUBSIDY	HOMEBUYER ASSISTANCE
TERM	LHT subsidy will be a 20-year non amortizing subordinate loan at 0% interest. The loan will be forgiven after twenty (20) years if certain conditions of affordability are met.	
INTEREST RATE	0%	
ELIGIBLE BORROWERS	Nonprofit, for-profits, and government entities developing eligible properties	Individual homebuyers – applications submitted by Eligible Sponsors
ELIGIBLE SPONSORS	N/A	Developer and LHT designated lending partners and HUD certified housing counseling agencies
ELIGIBLE ACTIVITIES	Predevelopment, acquisition, rehabilitation, construction and permanent	Funds may be used when purchasing a home: for all or a portion of closing costs, for all or a portion of a down payment, or to reduce the principal amount of a first mortgage
AFFORDABILITY REQUIREMENTS	<ul style="list-style-type: none"> • Units or Households at or below 120% of Area Median Income • All units funded by LHT will be subject to affordability controls through a restrictive covenant that limits the property rights of the owner for 20 years. 	
SECURITY	The LHT loan will be secured by a promissory note and a mortgage lien on the property.	
LOAN AMOUNTS	<u>Maximum</u> loan amount of \$25,000 per unit	
APPLICATION FEE	\$250 Non-refundable fee	\$50 Non-refundable fee
ORIGINATION FEE	1% of loan amount due at closing	\$250 Fee due at closing
SECURITY ASSURANCES	Appraisal, environmental assessment, title insurance, liability and flood plain insurance, certificate of occupancy, and inspection.	
CLOSING COSTS	The borrower is responsible for the expense of document preparation and closing costs	

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Applications are available at www.lowcountryhousingtrust.org