



## **Your Way Home Arizona Financial Assistance to Purchase Foreclosed Homes**

The state "Your Way Home AZ" (YWH) program provides 22 percent of a home's purchase price for eligible Arizonans, provided the home has been foreclosed. This assistance is in the form of a deferred second mortgage loan with zero percent interest, no monthly payment, and the opportunity to be forgivable after a period of time.

Eligibility is based on a variety of factors including area median income, current debt-to-income ratio, using the home as a primary residence, and attending a Homebuyer Education Class. Homebuyers must purchase a foreclosed one - unit detached single family home, condo or townhome.

### **Your Way Home AZ Highlights:**

#### **How to Apply**

1. The homebuyer meets with Curt Cannon or Peter Minot at Peoples Mortgage, a participating lender, to obtain pre-approval.
2. The homebuyer signs-up for Family Housing Resources (FHR)'s Homebuyer Education Class (offered weekly).
3. The FHR "YWH" Counselor will contact the homebuyer for an appointment after receiving the pre-approval information from the lender.
4. Do not sign a purchase contract until you have completed steps 1-3 above and you have an Eligibility Letter from your lender.

#### **Down Payment Requirement**

A minimum of 3 % of the purchase price is required as down payment. 1% must come from the homebuyer's own funds. 2% can come from any other approved source ( Seller, Real Estate Agent and Lender are not approved sources).

“Your Way Home” (YWH)  
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**Homebuyer Qualifications**

The income limit for the household is no greater than 120% of the median income for Pima County (see chart below).

The homebuyer is not required to be a first-time homebuyer. However, if someone in the household owns a residence, it must have been leased/rented for the previous 12 months before applying for the program.

The property purchased must be used for the homebuyer’s primary residence.

The homebuyers housing ratio must be at or below 31%; debt ratio at or below 43%.

The homebuyer must have 2 months of PITI (total monthly mortgage payment) in reserves (savings account) when they close on their home.

HHD Size	1	2	3	4	5	6	7	8
Max 120%	\$48,300	\$55,200	\$62,100	\$69,000	\$74,500	\$80,050	\$85,550	\$91,100

Purchase Price limit \$316,250

**Eligible Properties**

Foreclosed properties only. The mortgage foreclosure is complete and the investor owns the property

One-unit detached single family homes, condos, townhomes and affixed manufactured homes. The property must be vacant at the time of listing

The program has specific addendums that must be signed by the Seller and the final purchase price of the home must be discounted 1% lower than the “review” appraisal

**Homebuyer Assistance**

22% of the purchase price

Assistance is in the form of a second loan at 0% interest and no monthly payment

The second loan is forgiven after a period of time based upon the amount of the loan:

5 year for assistance of \$15,000 or less

10 years for assistance of \$15,001 - \$40,000

15 years for assistance of more than \$40,000

For more information, contact Curt or Peter at Peoples Mortgage at (520) 327-7600  
FHR at (520) 318-0993 [www.familyhousingresources.com](http://www.familyhousingresources.com)

**Below is a more detailed step by step process for YourWayHomeAZ transactions:**

### **The Consumer goes to the website to complete the following:**

1. Determine if they are income eligible (based on household size, household income and the County they plan to live in)
2. Provided they are income eligible they need to locate a lender from the list of participating lenders
3. They need to meet with the lender who will walk them through the rest of the process (this is the lender's responsibility)

### **The Lender meets with the consumer:**

1. They determine if the consumer is eligible for the program (check income, assets, ratios, credit worthiness)
2. Provided they are eligible issue Eligibility Letter, LSR and Approved/Eligible AUS Findings with the proper loan structure (75/22/3) this is the 1st, 2nd and the consumer's down payment
3. Help the consumer select a housing counselor and register the consumer on the website
4. Make contact with the housing counseling agency and provide them all file documents (they should support the Eligibility Letter, LSR and Findings) this is the paper/PDF file
5. Send the consumer to meet with the counselor

### **The Counselor:**

1. Complete the intake (program application, file documentation and evaluation)
2. Schedule the consumer for homebuyer education (HBE)
3. Provided all checks out, wait for a contract

### **The Realtor:**

1. Help the consumer locate an acceptable property
2. Write and secure a contract for an acceptable property
3. Have Seller sign the Certificate of Seller or provide a Fannie Mae Real Estate Purchase Addendum

### **The Lender:**

1. Update the file with the contract information
2. Upload the 3.2 format file into the consumer's record on the website (this is a data file only)
3. Order ALTA Policy for the 2<sup>nd</sup> mortgage list 'Arizona Department of Housing' as the Proposed Insured
4. Provide updated file information to the housing counselor (contract, title, appraisal, homeowners insurance and so forth as it becomes available)
5. Complete the 1st mortgage file underwriting and ensure the requirements of the 2nd continue to be met

### **The Counselor:**

1. Contact the Lender to insure the Borrower is registered and the 3.2 format file is on the website
2. Send a request to reserve funds to ADOH

### **The ADOH:**

1. Check the website for the 3.2 format file attached to the consumer's online registration
2. Review the request to reserve funds in comparison to the data file
3. Issue a 60 day commitment

### **The Counselor:**

1. Review the ADOH commitment
2. Complete the Housing Quality Standards inspection (HQS)
3. Complete the Environmental Review Record Form (ERR)
4. Complete the appraisal review process and other required paperwork
5. Wait for the lender to provide a clear to close on the 1st and request closing
6. Request closing doc's for ADOH

### **The ADOH:**

1. Complete loan doc request
2. Post loan docs on website for counselor
3. Notify counselor the loan docs are posted

### **The Counselor:**

1. Reviews the loan docs
2. Forwards loan docs and funds for closing to title
3. Review signed loan docs from Title for accuracy
4. Send legal docs with the RFP to ADOH

### **The Lender:**

1. Complete 1st mortgage loan docs
2. Forwards loan docs and funds for closing to title

### **Title:**

1. Closes the transaction
2. Request funding authorization (from lender and counselor)
3. Funds the transaction
4. Completes the funding process
5. Send signed ADOH closing docs and the Final Hud-1 to the housing counseling agency

Please keep in mind while this is a detailed account, it is not exhaustive. Plus it does not account for any issues in the loan file or hang-ups in the process. There may be some steps in between steps that are not accounted for. Remember the overall process is designed to stay true to standard lending practices. Therefore, do not assume because it wasn't mentioned it's not needed (whatever that may be.)



# Peoples

**MORTGAGE COMPANY**



Peter Minot  
Loan Officer  
Peter@PeoplesMortgage.net  
Cell: 520.425.2300



Curt Cannon  
Senior Loan Officer  
Curt@PeoplesMortgage.net  
Cell: 520.907.8346