



Home in Five Advantage

The Home in Five Advantage Program helps low and moderate-income individuals and families buy a home in Maricopa county. The program is designed to support sustainable, long-term homeownership for qualified buyers by providing the down payment assistance needed to achieve their dream. Home in Five is a partnership between the Phoenix and Maricopa County IDAs.

Through the program, homebuyers obtain 30-year, fixed rate FHA, VA and either Fannie Mae HFA Preferred or Freddie Mac HFA Advantage conventional loan financing.

Homebuyer Requirements

- Buyers must have a minimum FICO credit score of 640.
- Maximum credit qualifying income cannot exceed \$105,000 for all borrowers.
- Maximum debt-to-income ratio of 50.
- Standard loan guidelines for qualification must be met (i.e., adequate income, acceptable credit and down payment requirement).
- Buyers must occupy the home as their principal residence within 60 days of closing.
- No first-time homebuyer requirement.
- All homebuyers must attend an 8-hour homebuyer education course through an [approved housing counseling agency located within Arizona](#) and obtain a certificate of completion. The homebuyer education course may be in-person or on-line. Upon completion of an online class, homebuyers must provide their lender with a co-branded certificate with the local agency's name and/or logo. The following agencies have provided us with links to their approved online course offerings:
 - [Administration of Resources and Choices \(ARC\)](#)
 - [Money Management International](#)
 - [Newtown CDC](#)
 - [Take Charge America](#)
 - [Trellis](#)

Program Requirements

- Home must be anywhere in Maricopa county.
- New purchases only (no refinancing).
- New or existing houses, condominiums, PUDs or townhouses.
- No purchase price limit.

Down Payment Assistance (DPA)

Qualified individuals or families should work with their lender to determine the appropriate financing option. Homebuyers may obtain a 3- or 10- year forgivable loan for down payment/closing cost assistance. Program products available through your lender include:

Home in Five Advantage loans

- FHA & VA Loans with 3%, 4% and 5% DPA with a 3-year forgivable second.
- Conventional Loans with 0%, 3%, and 4% DPA with a 3-year forgivable second offered in connection with Fannie Mae or Freddie Mac loans.

Home in Five Advantage PLUS loans

- Conventional Loans with 5%, 6%, and 7% DPA with a 10-year forgivable second offered in connection with Freddie Mac loans only.

Additional Down Payment Assistance for Special Groups

An additional 1% down payment assistance is available for qualified K-12 teachers, United States military personnel, veterans, first responders and income-qualified borrowers.

- Buyers who meet the special incentive categories described below will qualify for an additional 1% down payment/closing cost assistance:
 - **“Qualified U.S. military personnel”** includes qualified veterans, active duty military, active reservists, and active members of the National Guard.
 - **“Qualified veteran”** is a person who served honorably on active duty in the armed forces of the United States, and who was discharged or released therefrom under conditions other than dishonorable (as provided in 38 U.S.C. Section 101).
 - **“First responder”** includes –
 - Peace Officer, as defined in A.R.S. §1-215, certified by the Arizona peace officer standards and training board (AZPOST) or by the Arizona correctional officer training Academy (COTA), and employed full-time as: 1) sheriffs (or deputy sheriffs) of counties; 2) constables; 3) marshals; 4) policemen of cities and towns; 5) commissioned personnel of the department of public safety; 6) personnel who are employed by the state department of corrections and the department of juvenile corrections; 7) police officers appointed by community college district governing boards, the Arizona board of regents, or the governing body of a public airport pursuant to section 28-8426; 8) special agents from the office of the attorney general, or of a county attorney; and 9) police officers employed by a tribal police agency.
 - Professional firefighter, as defined in A.R.S. §9-901, employed as a member of an organized and paid fire department.
 - Emergency personnel, whose primary responsibility is the care of patients in an ambulance, to include the following occupations, defined in A.R.S. §36-2201; 1) emergency medical technician; 2) advanced emergency medical technician; 3) emergency medical technician I-99, and 4) paramedic.

Detention Officer, as defined in A.R.S. §13-3907, means a person other than an elected official who is employed by a county, city or town and who is responsible for the supervision, protection, care, custody or control of inmates in a county or municipal correctional institution. Detention officer does not include counselors or secretarial, clerical or professionally trained personnel.

- **“Teacher”** is a full-time teacher employed by a state-accredited public school or private school that provides direct services to students in grades pre-kindergarten through 12.
- **“Income qualified borrower”** is a borrower who earns an annual income at or below \$36,450. Loans with a co-signer are not eligible for this incentive.

Additional down payment and/or closing cost assistance is available to very low-income borrowers using an Affordable Income Subsidy (AIS) Grant only on the 10-year FreddieMac loans:

- Very low-income borrowers (VLIP) with income of less than or equal to \$36,450 (50% of AMI) will be eligible to receive a \$2,500 non-repayable AIS grant.

Forgivable Second Mortgage Details and Example

Home in Five Advantage Down payment assistance is provided as an interest-free, 3-year forgivable second mortgage. No payments are required on the second mortgage unless the home is sold, transferred, or refinanced before the 36th month.

Example of how the forgivable second mortgage will be forgiven after three years: A home is purchased in February 2018 with a loan for \$180,000 and down payment assistance of \$5,400 (3%). On March 1, 2021, the \$5,400 second mortgage is forgiven in full.

Example of a when a homeowner must repay a portion of the assistance: A home purchased in February 2018 is sold, transferred, or refinanced in March 2020, or the 25th month. The mortgage is a 36 month note and is forgiven at a rate of 1/36th each month. In this example, the first 24 months of the note was forgiven (\$3,600). The borrower is responsible for re-paying \$1,800 of the original \$5,400 assistance. The amount due from the borrower will be part of the closing process on the sale, transfer or refinancing to clear the second lien.

Home in Five Advantage PLUS Down payment assistance is provided as an interest-free, 10-year forgivable second mortgage. There is no principal forgiveness for the first 5 years. Thereafter, borrower is eligible for a second mortgage loan principal forgiveness equal to 1/60th per full month the borrower lives in the home after the 5th year anniversary (years 6 through 10) of the second mortgage loan date. After the 10-year term, the subordinate lien is released from the property.

How to Get Started

- Contact a realtor and find a home that meets the program requirements.
- Contact a participating lender for details on applying for a Home in Five Advantage mortgage loan and securing down payment assistance.

More Information

For more information, please contact one of the program lenders or call the Phoenix IDA at **(602) 534-0180** or the Maricopa County IDA at **(602) 506-7294**.