

\$100 Down Payment Incentive – Available to Owner Occupant Buyers using FHA financing

1. Are all properties eligible for this incentive?

A. No, only properties advertised to the general public with a list date of January 4, 2008, or later, are eligible for this incentive. Any property identified with a list date prior to January 4, 2008 will not be eligible for this incentive. Properties advertised through HUD's Good Neighbor Next Door programs are NOT eligible for this incentive.

2. Is the \$100 down payment incentive available to investor buyers?

A. No. the \$100 down payment option is available for owner occupant buyers only.

3. Is the \$100 down payment incentive available to nonprofits?

A. No. Nonprofit organizations have established discounts that are already in place. This incentive is not available for use by nonprofits.

4. Does the type of financing impact whether or not my buyer(s) can take advantage of the \$100 down payment incentive?

A. Yes. The \$100 down payment incentive is available only to owner occupant buyers that choose to use FHA financing to purchase their home.

5. My buyers were awarded a bid on an eligible property and started out using conventional financing. They would now like to switch over to FHA financing. Can they take advantage of the \$100 down payment incentive?

A. Yes. So long as the property meets the eligibility requirements for the incentive, buyers can change financing and still take advantage of the \$100 down payment incentive.

6. If my buyer uses 203(k) financing to purchase a home, can they take advantage of the \$100 down payment incentive?

A. Yes. Please be aware that the 203(k) program may be used only on properties listed Uninsurable (UI). However, FHA also offers a financing option designated "Streamline 203(k)". Streamline. 203(k) financing can be used on properties listed Insured (IN) or Insured with Escrow (IE).

7. How do I indicate that my buyer wants to take advantage of the \$100 down payment incentive?

A. Enter \$100 as the down payment amount on line 4 of the contract. The mortgage amount and the length of the mortgage can be filled in with TBD. Also, be sure to include a copy of the Sales Incentive Addendum with the contract package. The addendum should indicate that the buyer(s) want to take advantage of this incentive.

8. Will the use of the \$100 down payment incentive impact the net sales price?

A. No. Using the \$100 down payment incentive has no bearing on the calculation of the net sales price.

9. My buyers won the bid but bid more than the appraised value to ensure that they would win. Can they still buy the home for \$100 down?

A. No. FHA guidelines require that the buyers still have to bring in the "overbid amount" in the form of cash as part of the down payment. Obtaining a second appraisal to justify the overbid to receive the \$100 down payment incentive is NOT allowed.

10. How long will this incentive program last?

A. At this time, HUD has not published the length that this incentive program will be in effect.