



City of Springfield Down Payment Assistance Program

The Down Payment Assistance Program provides down payment and closing cost assistance of up to \$4000 for income-qualified first-time homeowners purchasing a home in Springfield. The homebuyer must use the home as the primary place of residences.

The program provides a 0% interest deferred-payment loan, forgiven over five years if the owner continues to occupy the home as their principal residence. One-fifth of the loan is forgiven each year. If the owner sells the home or moves to a different primary residence within the five-year time period, payment of the remaining pro-rated loan is required.

Income Eligibility

Household income of the occupant household cannot exceed maximum limits, which are set annually. The following limits apply for fiscal year 2023:

1 person	\$65,590	5 person	\$101,196
2 person	\$74,960	6 person	\$108,692
3 person	\$84,330	7 person	\$116,188
4 person	\$93,700	8 person	\$123,684

Program Requirements

The applicant must meet the following eligibility requirements:

- Contribute a minimum of 1% of own funds toward purchase of the property
- Successfully complete homebuyer education program from **a HUD-certified housing counselor at a HUD-approved housing counseling agency.** The following local agencies provide approve homebuyer education: Cambridge Credit Counseling Center, Holyoke Housing Authority, Springfield Partners for Community Action, Valley Community Development Corporation, and Way Finders, Inc.
- Meet City underwriting standards, which include:
 - Maximum loan-to-value is subject to lender program requirements, but may not exceed 103%;
 - Qualifying debt-to-income ratio may not exceed 45% (exceptions on a case-by-case basis)
- Landlord training course required for properties containing **two or more units**
- Current on City of Springfield taxes, fees, fines or municipal liens.

