



## Esperanza DPA Program Overview

New Jersey Community Capital is administering the Esperanza Down Payment Assistance program serving the Esperanza neighborhood of New Brunswick, NJ. The program is sponsored by New Brunswick Tomorrow, the lead organization in the Esperanza Neighborhood Project. The program provides up to \$12,500 in down payment assistance for first time homebuyers who are residents of NJ with gross prior year income of less than 80% of current Middlesex County Area Median Income, according to household size per HUD guidelines, purchasing in the Esperanza Neighborhood of New Brunswick and up to \$15,000 down payment assistance if they are New Brunswick residents, first-generation homebuyers, or have gross prior year income of less than 50% of current Middlesex County Area Median Income, according to household size per HUD guidelines.

Esperanza down payment assistance funds may be used for any eligible purpose including closing cost assistance, down payment assistance, or borrower minimum out-of-pocket investment if allowed by the first mortgage loan program or other layers of financing. Esperanza funds may **not** necessarily cover the closing costs or out-of-pocket requirements of an FHA first mortgage or other type of first mortgage loan.

The Esperanza down payment assistance funds will be disbursed at closing. These funds will be in the form of a mortgage secured by the property being purchased. The Esperanza DPA is a 0% interest forgivable grant. If conditions are satisfied, the grant is forgiven in equal parts each year over a five (5) year time period. The grant will cease and the prorated balance will become due and payable upon demand if the property is sold, refinanced, title is transferred, or if foreclosure or other default occurs within the first five (5) years.

In order to be eligible for Esperanza down payment assistance, the homebuyer(s) must meet the following requirements:

- Borrower(s)'s income, adjusted for household size, cannot exceed 80% of current Middlesex County Area Median Income, per HUD guidelines
- Complete a Homebuyer Education Course in the last 12 months
- Purchase a home in the Esperanza neighborhood of New Brunswick, NJ
- Agree to maintain the home as a primary owner occupant residence for the five (5) year period
- Obtain a first mortgage loan from an approved Esperanza DPA lender