



## Down Payment Assistance Program Qualifications & Required Application Materials

### Qualifications:

- The home being purchased must be located within the Town of Normal and owner-occupied (apartments and mobile homes do not qualify)
- The gross income of the homebuyer/household must fall within the guidelines established by HUD (<https://www.normal.org/1074/Down-Payment-Assistance-Program>)
- The House-to-Income Ratio must not be greater than 30%
- The Total Debt-to-Income Ratio must not be greater than 37%
- Personal funds of the homebuyer going toward down payment/closing costs must not exceed 10% of the contract purchase price of the home
- The homebuyer must retain a minimum of \$1,000 in a bank account after the down payment/closing costs have been paid

***If any of these qualifications are not met, please do not submit an application for grant assistance***

### Lenders must provide the following in a request for down payment assistance:

1. An original letter, on Lender's letterhead, containing the information as shown on the attached "Sample Letter"
2. Signed copies of the attached forms: Mortgage Lender Down Payment Assistance Closing Agreement; Affidavit of Lending Institution; and Affidavit of Household Income and Subordination Policy.
3. A SIGNED copy of the applicant's Uniform Residential Loan Application
4. A SIGNED copy of the applicant's most recent Federal Tax Return and income verification on the Residential Loan Application
5. A SIGNED copy of a current appraisal
6. A SIGNED copy of the Residential Real Property Disclosure Report
7. A SIGNED copy of the Lead Paint Disclosure Report
8. A copy of the FHA inspection documentation (if applicable)
9. A copy of title work on the property
10. An approximate closing date. WE MUST HAVE A MINIMUM OF TWO (2) WEEKS NOTICE PRIOR TO CLOSING. Failure to provide this notice or any of the above documents may result in rejection of the application.

**PLEASE DO NOT SEND DOCUMENTS OTHER THAN THOSE REQUESTED**

Completed application materials can be submitted by mail, in person, or electronically to:

**By Mail:** Town of Normal  
Attn: Taylor Long  
11 Uptown Circle  
Normal, IL 61761

**In Person/Electronically:** Taylor Long, Associate Planner  
1 Uptown Circle (2<sup>nd</sup> Floor)  
Normal, IL 61761  
[tlong@normal.org](mailto:tlong@normal.org)

*THIS LETTER MUST BE ON YOUR LENDING INSTITUTION LETTERHEAD*

Date

Town of Normal  
Attn: Down Payment Assistance Program  
11 Uptown Circle  
Normal, IL 61761

Dear Town of Normal Official,

(Name of Borrower/s) is/are in need of \$ \_\_\_\_\_ (amount being requested from the Town of Normal) in order to qualify for a mortgage loan to purchase the property at (address of property to be purchased). Without this assistance, (Name of Lending Institution) cannot approve this loan.

The purchase price agreed on is \$ \_\_\_\_\_. The total downpayment required is \$ \_\_\_\_\_ leaving a loan amount of \$ \_\_\_\_\_. The closing costs total \$ \_\_\_\_\_. The amount of personal funds the buyer(s) is/are contributing toward the home's purchase total \$ \_\_\_\_\_. The source of those fund is/are \_\_\_\_\_.

The property's closing meeting is scheduled for (date, time, and location).

Sincerely,

Your name and title



**MORTGAGE LENDER DOWNPAYMENT  
ASSISTANCE CLOSING AGREEMENT**

The \_\_\_\_\_ (Lending Institution) agrees to accept and record any Note, Mortgage or Other Document (the Requested documents) with the Recorder of Deeds in McLean County, Illinois requested by the Town of Normal as part of the Town of Normal's Downpayment Assistance program with the regard to the purchase of property located at \_\_\_\_\_  
(address) by \_\_\_\_\_ (Borrower). The Lending Institution agrees to file the requested documents within a commercially reasonable period of time, but in no event shall the filing occur more than two weeks after receipt of the Town of Normal Downpayment Assistance by the Borrower. The Lending Institution will not charge the Town for the cost of filing any requested documents, but the Lending Institution may collect such filing costs at closing. The Lending Institution agrees to indemnify the Town of Normal for any loss incurred by the Town, including legal fees needed to clear title, as the result of any filing with the Recorder of Deeds which affects the Town of Normal's interest in the property which occurs after receipt of the Town of Normal's Downpayment Assistance by the Borrower and before the filing of the requested documents by the Recorder of Deeds in McLean County.

Date:

\_\_\_\_\_  
Name and Title



**AFFIDAVIT OF LENDING INSTITUTION**

The undersigned an officer/agent of \_\_\_\_\_  
(Lending Institution) states that \_\_\_\_\_ (Borrower) and  
\_\_\_\_\_ (Co-Borrower) would not qualify for the loan being  
sought to purchase property located at the following address:

\_\_\_\_\_  
without assistance from the Town of Normal’s Downpayment Assistance Program from the  
Community Development Block Grant funds.

I also confirm that I have shared and reviewed the Town’s Subordination Request Policy with  
the Borrower and Co-Borrower.

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date



**AFFIDAVIT OF LENDING INSTITUTION (cont)**

STATE OF ILLINOIS        )  
                                  )        ss  
McLEAN COUNTY         )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed, sealed, and delivered the said instrument as his/her/their free voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
(seal)



**AFFIDAVIT OF HOUSEHOLD INCOME AND  
SUBORDINATION REQUEST POLICY**

The total annual income for all persons residing in this household is:

\$ \_\_\_\_\_

Attached are copies of the most recent federal tax filing forms for the prior calendar year for all persons residing in the household.

Attached are copies of current pay stubs or other evidence of current income for all persons residing in the household.

The following persons reside in the household:

NAME	AGE	RELATION
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No other person other than those listed above resides in the household.

The lending institution has reviewed the Town of Normal Subordination Request Policy with me. I fully understand this policy and recognize that it is subject to change without notice.

The undersigned swears that the foregoing is true and correct.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date



**AFFIDAVIT OF HOUSEHOLD INCOME AND  
TOWN OF NORMAL SUBORDINATION REQUEST POLICY  
(cont)**

STATE OF ILLINOIS            )  
  )        ss  
McLEAN COUNTY            )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed, sealed, and delivered the said instrument as his/her/their free voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
(seal)