THE CITY OF
COLUMBUS
ANDREW J. GINTHER, MAYOR

DEPARTMENT OF
DEVELOPMENT

HOUSING DIVISION

ADDI Program Guidelines

AMERICAN DREAM DOWNPAYMENT INITIATIVE

Non-Federally Funded

Updated on 5/1/2026

Purpose

The City of Columbus established the American Dream Downpayment Initiative (ADDI) Program to assist low and middle-income households finance the acquisition of a first home within the City of Columbus corporate limits.

Funding

The dollars are provided to the City of Columbus American Dream Downpayment Initiative (ADDI) program from varying non-federally funded sources.

Loan amount will provide up to 6% of the purchase price with a maximum of $14,999.00 for applicants at or below 120% AMI, whichever is less, to be applied towards the required down payment, reasonable closing costs and/or a reduction in the principal mortgage amount. In certain instances, the 6% of the purchase price can be increased up to the maximum of $14,999.00 (ask ADDI staff for more details).

The ADDI program is a five (5) year deferred forgivable loan. The recipient(s) must reside in the property for five (5) years after closing or the funds must be repaid to the City out of net proceeds of sale. The property is unable to be sold, rented, or transferred during these five (5) years and must remain the principal residence of the recipient(s).

The recipient(s) must execute a Promissory Note, Loan Agreement, Affidavit of Eligibility, Mortgage and a Restrictive Covenant with the City of Columbus that requires occupancy of the housing unit for a period of not less than five (5) years. After five (5) years, the mortgage and restrictive covenant are released on the property and the loan is forgiven.

Eligibility Requirements

Eligible Property:

A. **Located within the City of Columbus corporate limits.** Please verify property location with the Franklin County Auditor's office. (see City/Village field) (https://auditor.franklincountyohio.gov/Home).

B. **Recipient's principal residence.** The recipient is required to occupy the home as their principal residence for the five (5) year term.

C. **Decent, Safe and Sanitary**. Existing residential properties are required to meet decent, safe and sanitary standards as set by the City Code and HUD regulations before ADDI funds are released.

D. **Single family unit, condominium, and manufactured housing** (only if set on a permanent foundation) listed under one parcel ID number.

   a. Condominiums within a multi-family building that have a unique parcel ID number are eligible.

   b. Multi-Family units (i.e. duplex, triplex, quadplex, etc.) listed under one parcel ID number are not eligible for ADDI funding.

   c. Land Contracts are not eligible for ADDI funding.

E. The purchase price for the residential property cannot exceed the fair market value as indicated in the property's Uniform Residential Appraisal Report (URAR). If the purchase price exceeds the fair market value, the applicant(s) must be able to cover the gap between the fair market value and the purchase price with their own funding (proof of availability of funds will be required prior to closing).

Eligible Applicants:

A. **First-time Homebuyer:** Any applicant or co-applicant that does not currently own a home and has not owned a home for the past three years (36 months).

B. **Income:** Income is at or below one hundred twenty percent (120%) of the area median income adjusted for household size as determined by HUD. (See appendix A for current income limits.)

   a. Applicants at or below thirty percent (30%) will be considered on a case-by-case basis.

   b. ** Total incomes for the applicant, co-applicant(s), and any co-signer(s) residing in the home are used when calculating annual gross income.

C. **Residency**: A minimum of six months residency in the State of Ohio and a permanent resident of the United States.

D. **Mortgage Loan Type:** Applicants approved for a fixed rate mortgage loan are eligible. Conventional, FHA, USDA, VA, and 203K Loans are eligible.

E. Qualifying ratios: Total-housing expenses (PITI) must not exceed 35 percent of monthly income and total debt service must not exceed 45 percent of monthly income. The City may consider higher ratios if the applicant(s) can demonstrate to the City's satisfaction that the total mortgage payment can be met.

F. Contributing Funds: The applicant must have $500.00 of their own saved funds, which cannot come from loans, credits or gift funds to contribute as equity.

G. Post-Closing Assets: Applicant must show access to a minimum of $500.00 after closing. Retirement and similar accounts, as well as gift funds can be used to satisfy this requirement.

H. Homebuyer Education: Homebuyer education must be provided by a HUD certified homebuyer education agency (see Appendix B) no more than 18 months prior to the loan closing.

I. Columbus City Employees employed by the Columbus Department of Development are ineligible for loan assistance.

ADDI Application Process

1. The ADDI application is completed by the lender on behalf of the applicant(s).

2. All lending institutions are required to complete a Lender Participation Agreement with the City of Columbus. If a lending institution has not completed the Lender Participation Agreement with the City of Columbus, a representative from the lending agency should reach out to the email address – downpaymentassistance@columbus.gov - to request a blank copy of the document. The original copy of the agreement will need to be signed, notarized and returned either by email or sent to 111 N. Front St., 3rd Floor, Columbus, OH 43215 (it is advised to send via USPS Priority Mail, UPS, or FedEx for tracking and quicker finalization).

3. Once the executed document is received by the Housing Division, the Director of the Department of Development will sign, and a color copy of the document will be emailed back to the loan officer.

4. Each loan officer participating in the ADDI program will complete training and receive a copy of the current guidelines, checklist, and link to the online ADDI application (Neighborly).

5. The application, including all documents (see Appendix C), must be submitted and uploaded to the online Neighborly web portal at least 4 weeks prior to closing.

6. Additional documentation requested after the review of the application and documents must be received within 48 hours of staff's request to maintain the schedule outlined in this section and allow for a timely closing.
    i. Impacts to approval and closing date are dependent on the timeliness of lender's response to requests.

7. After all documentation is reviewed (within 3-5 days of receipt), income documentation is submitted to management for approval - income approval takes 2-3 business days.

8. Once income calculations are approved, Commitment letter and City CD are created and submitted to management for approval - approval takes 2-3 business days.

9. Upon approval, the lender is emailed the Commitment Letter and City CD (it is mailed via USPS to the applicant(s)) and we request lender's final CD.

10. Lender's final CD MUST be received at least 5 days prior to closing to allow for creation, approval and signature of closing documents.

Application Closing Process

1. Once the lender's final Closing Disclosure (CD) is received by the ADDI team, the closing process will begin.

2. The ADDI team will coordinate with the title agency prior to closing to obtain the following:
    a. Legal description of property.
    b. Verification of the legal names and marital status of the applicant(s), as listed on the closing documents.
    c. Wire instructions.
    d. Inclusion of recording fees for the City's Mortgage and Restrictive Covenant must be included on the final CD.

3. The City of Columbus ADDI closing package will be emailed directly to the title agency and will include the following documents:
    i. Title Company Instructions and Letter
    ii. Mortgage
    iii. Restrictive Covenant
    iv. Loan Agreement
    v. Promissory Note
    vi. Affidavit of Eligibility
    vii. AmerNational Disclosure Statement

4. The ADDI funds will be wired directly to the title agency.

Application Post Closing Process

1. The following documents should be returned by the Title Agency to the City of Columbus within three (3) days after the date of closing:
    i. Title Commitment
    ii. Copy of executed Restrictive Covenant and Mortgage
    iii. Original executed Loan Agreement, Promissory Note, Affidavit of Eligibility and AmeriNational Disclosure Statement
    iv. Copy of signed Promissory Note and Mortgage from first lien holder
    v. Insurance Declaration
    vi. Final Closing Disclosure Statement signed by recipient
2. The following documents should be returned by the Title Agency to the City of Columbus within thirty (30) days after closing:
    i. Recorded original executed Restrictive Covenant and Mortgage
        1. The City of Columbus is not responsible for recording the documents or for any fees associated with their recording.

203K Loan Guidelines

A. All previously stated ADDI Guidelines remain the same.

B. Repairs and rehab:
- **a.** Copy of detailed scope of work and signed contract with a licensed Home Improvement Contractor is required in the loan package upon submittal for approval.
- **a.** Contractors must pull City permits prior to starting work and obtain final sign off and Certificate of Occupancy upon completion of work. Documents are to be presented to City prior to scheduling the final inspection.
- **b.** All funds to complete the repairs on the home are held in escrow by the lender or Title Company at the time of closing. Final disbursement is paid when permit sign offs and/or Certificate of Occupancy is/are received on the property.
- **c.** **The applicant(s) may not occupy the residence** until all repairs are complete, a final sign off on permits received, a Certificate of Occupancy is issued (if applicable), and a final inspection is completed, and the property has been approved by the City ADDI Property Maintenance Inspector.

C. The ADDI funds will be available for closing once the final, approved Closing Disclosure detailing 203K monies held in escrow and $500 of applicant's own funds are presented to the City. Once the final Closing Disclosure is received from the lender, the ADDI staff will need five (5) business days to request the funds from the funding agent and prepare the closing documents.

Required Documents

Extensive review of each document is required as listed below. Documents are either accepted as submitted or noted as unacceptable – we will not alter/complete any form.

- Neighborly **City of Columbus Application**

- **City of Columbus Application Signature Page s**igned and dated by applicant and co-applicant(s). <u>All documentation must be dated current with this application.</u>

- **City Homebuyer Disclosure Statement** signed by the applicant and co-applicant(s).

- **City of Columbus Time Disclosure** signed by applicant, co-applicant(s), applicants' realtor, seller's and seller's realtor.

- **W-9** all blank spaces completed including Section 3. Signed and dated by **applicant and co-applicant(s)**.

- Copy of **Ohio Driver's License** from **applicant, co-applicant(s), and any co-signer(s) resident in the home**. Copy on photo setting so face is identifiable.

- **Homebuyer Education Certificate of Completion** from a HUD certified provider. Submit for the applicant and co-applicant(s). The date of completion cannot be more than 18 months old prior to the date of closing.

- **Homebuyer Budget** signed and dated by both the applicant(s) and homebuyer education counselor containing both current budget and projected budget post-purchase of home.

- Copy of **Homeowner's Insurance** quote (Final Certificate of Insurance for fire, hazard, and liability will be required at closing) with City of Columbus listed as 2nd mortgage interest.

- **Lender Application/URLA/1003**. Include Lender Loan Information section.

- **Purchase Contract**. Fully executed Purchase Contract signed and dated by applicants(s) and seller(s)-all addendums and disclosures required, including Residential Property Disclosure and Lead Paint Hazard Notification (for all houses built prior to 1978).

- **Appraisal** with the parcel number, pictures, location map, and valuation conditions. The appraisal should not be more than one (1) year old and must be completed by a licensed

appraiser. (Automated Collateral Evaluation with Property Data Report is not accepted as a replacement for the certified appraisal.)

- **Property Inspection Report** (at applicant's expense) OR Final Certificate of Occupancy for new construction.
    - All property inspections must include clear photographs of the interior, exterior, and any noted deficiencies.
    - Inspection issues which are listed as safety concerns must be remedied and meet all Decent, Safe and Sanitary guidelines prior to purchase (see Appendix D for a list of the Decent, Safe and Sanitary inspection items).

- **Credit Report(s)** for the applicant and co-applicant(s) including credit score and debt listings. The report should not be more than four (4) months old and list first and last name(s), last 4 of SSN and address.

- **Two** (2) most recent years **Tax Returns Signed and Dated** for the **applicant, co-applicant(s), and any co-signer(s) residing in the home.**
    - If no Tax Return has been filed, submit a signed and dated letter of explanation AND complete the Affidavit of Non-Filing Tax form (ask ADDI staff for City form).

- **Income Verification Documents.** Provide the **Verification of Employment (VOE) form** and **one (1) full month of the most recent income** verification documents for the **applicant, co-applicant(s), and any co-signer(s) residing in the home**. *Annual income is determined by projecting for the next twelve (12) months.
    - Wages, salaries, tips, bonuses, overtime, commission. Copy of most recent month paystubs or statements.
    - Self-Employment. YTD Profit and Loss Statement – net is used for the eligibility.
    - Social Security. Most recent award letter issued by the Social Security Administration.
    - Child Support. Current payment history report.
    - Alimony. Verification letter stating the monthly award amount or payment history report.
    - Workers' compensation, severance pay, cash assistance, pension and other forms of regular income. Most recent statement or payment report showing the amount of income the applicant, co-applicant(s) or occupying co-signer is receiving.
    - If no income is received, any applicant, co-applicant(s), and any co-signer(s) residing in the home, must include a signed and notarized Affidavit of Income.

- **Assets Statements.** Provide **one (1) full month of the most recent statement** for **ALL** liquid asset accounts for the **applicant, co-applicant(s) and any co-signer(s) residing in the home.** (Accu-Chek Statements are not acceptable forms of asset statements)

- Checking, Savings, Money Market and Certificate of Deposit Accounts
- 401K, IRA, Stocks, Bonds, etc.
- Any mobile or online banking platform – Cash App, PayPal, Venmo, Apple Cash/Apple Pay, etc.

- Letter of Explanation for all recurring (2 or more) non-payroll deposits of $100.00 or more coming from the same payer/app {i.e., Cash App, Zelle, etc.} around the same time of month, and any non-payroll deposits that are $1,000.00 or more.

- The applicant(s) must show **proof of at least $500 in emergency funds after purchase** if this is not demonstrated in the account statements.

- **Divorce Decree and Child Support Verification** from State/County and Child Support Bureau (if applicable).

- *If spouse is not on the application and will not be on the mortgage, include an **attestation** that the spouse understands they will sign dower documents at closing and understands the purpose of those documents.

THESE GUIDELINES OUTLINE THE BASIC FUNDING REQUIREMENTS FOR THIS PROGRAM AND ARE NOT MEANT TO BE ALL-INCLUSIVE

The City of Columbus is an Equal Opportunity Lender

The funds for this program are limited and as such will be available on a first-come, first-served basis.
This funding for this program can be combined with other internal City programs.
The funding cannot be combined with external dpa programs that contain City of Columbus funds.

Please contact downpaymentassistance@columbus.gov for more information.

Visit the ADDI website at: American Dream Downpayment Initiative - City of Columbus, Ohio

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