

**CITY OF CRANSTON  
DEPARTMENT OF COMMUNITY DEVELOPMENT  
DOWN - PAYMENT ASSISTANCE PROGRAM GUIDELINES**

This program offers financial assistance to income-eligible people who are purchasing a home in the City of Cranston. The program will be administered on a first come first served basis. An applicant must be a first time homebuyer in accordance with the following HUD guidelines:

- An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse ( if either meets the above test, they are considered first-time homebuyers)
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

A recipient must agree, in writing, that he/she will live in the purchased property as his/her principal residence for a period of five (5) years after the assistance is provided (closing date). The closing attorney will record this written agreement (not a mortgage) as a lien against the property at the office of the City Clerk.

Income eligibility will be determined according to HUD's HOME/CDBG income limits guidelines. The amount of assistance available to an applicant is 50% of the required down payment, not to exceed **five thousand dollars (\$5,000.00)**. (We will match the down payment from the borrower dollar for dollar, but not to exceed **(\$5,000)**). The Down Payment from the borrower must be clearly stated on all necessary documentation (For example Purchase and Sales Agreement and HUD Sheet).

As stated above, the goal of the program is two fold:

- Increase the number of owner occupied homes in the City
- Provide financial assistance to low-to-moderate income homebuyers.

This grant cannot be used with any other program within the Department of Community Development. This grant cannot be subordinated, nor can it be used to pay points or reduce interest rates. **A State Lead Inspection must be performed on the property, which can produce a Lead Certificate, which must be submitted to the Department of Community Development prior to receiving any funds.**

At the end of the five-year period, the lien is forgiven and discharged. If, however, before the end of the five-year period, the recipient sells the property, refinances the property, changes title to the property, or no longer resides at this property as his/her principal residence, then the funds that were received must be repaid in full to the Cranston Department of Community Development.