

City of Urbana  
Grants Management Division  
Down Payment Assistance Program FAQs

1. **Is there a cap on assistance?** Yes. The maximum amount of assistance available to an eligible homebuyer through this program is \$7,000.
2. **How is income eligibility determined?** City staff will verify that the potential buyer is income-qualified using HUD's [online income calculator](#). Staff will also collect three months' checking account statements and the most current statements for any savings or investment accounts, as well as evidence of the buyer's completion of homebuyer counseling.
3. **Is the city or the lender responsible for providing closing documents (i.e. retention agreement, etc.) at closing?** Assistance is a straight grant to the homebuyer. Therefore, the city will not have closing documents. The City will bring a check to closing and request a copy of the closing documents.
4. **What is the property value limit for this program and how is it determined?** For existing homes, the property value limit is 95% of \$154,000. For new construction, the limit is 95% of \$243,000. The lender will review the buyer's income and debt to determine the amount of loan a person is eligible. Since this program targets those at 80% MFI or below, the purchase price will most likely not be an issue.
5. **How long will it take for the grant to be processed prior to closing?** The lender must determine which of the eligible expenses is best for the potential buyer and provide a letter to the City outlining the assistance. Lenders can only choose one eligible expense from the list provided in the program guidelines. The City will review documentation and provide a response within 5 business days.
6. **How will the home inspection process work?** The City will not conduct home inspections. Rather, city staff will request a copy of the private home inspection. Repairs to the home will not be dictated by the City. If a concern is flagged in an inspection that cannot be negotiated between the buyer and seller, and the repair will impact the buyer's eligibility for the grant, the City may be able to escrow the funds and proceed with the repair after closing.
7. **Will a retention agreement be filed?** No.
8. **Can Urbana's down payment assistance be combined with other DPA programs?** Yes. Urbana DPA can be blended with other programs such as those provided through Illinois Housing Development Authority (IHDA) and Federal Home Loan Bank (FHLB).