

CHOOSE AURORA Homebuyer Assistance Program FAQ

Q: What is the purpose of this program?

A: The purpose of this program is to assist qualified homebuyers in purchasing a safe and affordable home in Aurora.

Q: How is this program funded?

A: This program is funded by both Federal and local city gaming tax funding.

Q: How can a homebuyer be qualified for this program?

A: A homebuyer needs to meet several qualifications for approval of this program. The three main factors are income eligibility based on household size, home affordability, and the results of the home inspection. The City of Aurora also requires other documents that a mortgage lender would normally require, such as the contract, loan agreement, appraisal, paystubs, bank statements, tax documents, etc.

Q: What properties are eligible for this program?

A: Eligible properties are homes located within Aurora’s city limits that are single-family, condos, and townhomes, etc. Properties within unincorporated Aurora are ineligible for this program.

Q: How much assistance could a homebuyer be eligible for?

A: This program is based on household income, which determines the amount of assistance that could be provided:

- At 80% Area Median Income (AMI), a homebuyer could be eligible for:
 - o \$20,000 0% interest deferred loan.
 - o \$5,000 Closing Costs Grant.
 - o \$2,000 Small Repairs Grant (this is determined by city staff from the home inspection)

| Household Size | 1 | 2 | 3 | 4 | 5 |
|---|----------|----------|----------|----------|-----------|
| 80% Income Limit (Can not make more than) | \$67,150 | \$76,750 | \$86,350 | \$95,900 | \$103,600 |

- At 81-120% AMI a homebuyer could be eligible for:
 - o \$20,000 0% interest deferred loan
 - o \$2,000 Small Repairs Grant (this is determined by city staff from the home inspection)

| Household Size | 1 | 2 | 3 | 4 | 5 |
|---|-----------|-----------|-----------|-----------|-----------|
| 120 % Income Limit (Can not make more than) | \$100,800 | \$115,200 | \$129,600 | \$143,880 | \$155,400 |

Q: How does the \$20,000 deferred loan work?

A: The \$20,000 deferred loan will be a soft second mortgage on the property that does not need to be re-paid until:

- The home is no longer your primary residence.
- The home is sold.
- The name on the title of the property changes.
- The home is refinanced to take equity out of the property.

Q: How does the \$5,000 Closing Costs Grant work?

A: The \$5,000 Closing Costs Grant is a non-repayable grant that is awarded contingent on all required approval documents.

Q: How does the \$2,000 Small Repairs Grant work?

A: A prospective homebuyer's qualification for this grant is based on the property's home inspection. Not all applicants will need/qualify for this grant. The \$2,000 Small Repairs Grant is a non-repayable grant, that will be determined by City staff based on the home inspection.

Q: When is the best time to apply for the Choose Aurora program?

A: The best time to apply for this program is when the homebuyer:

1. Already working with a mortgage lender.
2. Is pre-qualified for a mortgage, and is working with a realtor and is under contract or close to coming under contract for a property in Aurora. This is the point where the homebuyer would be referred to the Choose Aurora website to complete the pre-application with assistance by the Mortgage Lender: www.aurora.il.us/Property-and-Business/Housing/Home-Ownership/Choose-Aurora. Or you can find the Choose Aurora website by using google, and by typing in Choose Aurora Illinois. It will be the first link you will find in your search.

Q: What property restrictions apply for homes purchased through Choose Aurora?

A:

- Property cannot be located in a flood plain.
- Property must be within incorporated Aurora (not unincorporated areas).
- Single-family homes only (no multi-unit properties).
- Condos and townhomes are allowed.
- Purchased home must be owner occupied or vacant.

Q: Is HUD certified Homebuying Education & Counseling certificate required?

A:

- The HOME program DOES require it.
- The \$5,000 assistance option does not require Homebuyer Education (HBE)
- It is not required for applicants with household income 81% AMI or higher
- While housing counseling is not required for the \$5,000, or for borrowers between 81% and 120%, it will always be highly encouraged.

Q: Why do I need to provide documents to the Homebuyer Counselors?

A: Your counseling agency may request financial and homebuying-related documents as part of the HUD counseling process. These documents help the counselor verify eligibility, review readiness, and provide accurate guidance based on your specific situation. To help avoid duplication, documents already submitted to the City may also be shared with the counseling agency when appropriate and authorized.

Q: Why is Homebuying Counseling important?

A: HUD-Certified Homebuyer Counseling is not just a requirement—it is also a helpful resource for buyers to better understand the homebuying process, avoid surprises, and feel more prepared before closing on a home.

Q: Does the assistance have to be paid back?

A: Yes, the assistance is placed as a **lien** and must be repaid if the home is sold or if there is a future transfer/change in title.

Q: How is approval determined?

A: The City explained that approvals are generally based on **need**, meaning the program is intended to assist applicants who may not be able to purchase the home **without the funding**

Q: What debt-to-income (DTI) range is the City looking for?

A:

- The City shared that they are generally looking for a DTI between **25%–35%**.
- Too little or too much debt may impact eligibility or lead to denial.
- Higher DTI may be considered.