

Kansas Housing Resource Corporation Moderate Income Housing Program

City of Sedgwick Redbarn Farms Subdivision

Down Payment Assistance for qualifying Buyers



Sedgwick Redbarn Farms Subdivision is offering two Kansas Moderate Income Housing Grants available for qualifying buyers of up to \$20,000 for down payment assistance with the following flexible guidelines.

Guidelines:

1. Moderate Income Housing Income Range HUD's FY 2021 Income Limits

		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum	150%	\$ 81,281	\$ 92,906	\$104,531	\$116,603	\$125,344	\$ 134,719	\$ 144,000	\$ 153,281
Minimum	60%	\$ 32,513	\$ 37,163	\$ 41,813	\$ 46,425	\$ 50,138	\$ 53,888	\$ 57,600	\$ 61,313

2. A qualified Mortgage Loan pre-approval from any participating Lender

3. **Five Year Deed Restriction** starting from the time the restriction is recorded on the deed at a 20% annual declining refund payable to the City of Sedgwick for the prorated down payment assistance amount if the property is sold at a net profit (refund limited to not exceed 50% of net profit) within the 5 year period. The prorated refund of net profits from the sale of the home is calculated after including costs of improvements, and seller closing costs. At the end of the fifth year of the deed restriction, the City of Sedgwick shall remove the restriction at the owner's request and there shall be no further restriction on the profit achieved by the sale of the home. If home is sold at any time before restriction is lifted no further deed restriction will be applicable to subsequent buyers.

- a. Example: Cost baseline example is the purchase price of the Lot and Home built totaling \$220,000, receiving \$20,000 down payment assistance. Home is sold in the 3rd year of restriction for \$270,000, with an additional \$10,000 in home improvements, and \$10,000 in closing costs. Net Profit= \$270,000-\$240,000 = \$30,000. In the third year of restriction the declining restriction remaining is two years or 40% of \$20,000 grant assistance amount= \$8,000. A grant refund of \$8,000 payable to City from the \$30,000 Net Profits with the deed restriction lifted upon closing. Grant refund does not exceed 50% of net profit (\$15,000) therefore no limit is applied, and if home was sold for a net loss no refund is required.