



City of Knoxville

Department of Community and
Neighborhood Services
Community Development Division
5th Floor, City/County Building
P.O. Box 1631
Knoxville, TN 37901

865-215-2120
TTY: 865-215-4581



Knox County Community Development

3rd Floor, City/County Building
Room 345
Knoxville, TN 37902

865-215-3980
TTY: 865-215-2497

Funding for the City of Knoxville
and Knox County Community De-
velopment Housing Programs is pro-
vided through the U.S. Department
of Housing and Urban Development
HOME Program.



American Dream Downpayment Initiative



City of Knoxville
Community Development

Knox County
Community Development

What Is ADDI?

The American Dream Downpay-
ment Initiative (ADDI) is a feder-
ally funded down payment assis-
tance program available through
local Community Development
Programs as well as the State of
Tennessee. The City of Knoxville
and Knox County's ADDI offers
up to \$5,000 to eligible first time
homebuyers for down payment and
closing costs for purchase of homes
within the City of Knoxville and
Knox County. The assistance is a
forgivable loan and will require no
repayment as long as the home-
buyer remains the owner and the
occupant. The loan is forgiven by
20% per year and is forgiven in full
in 5 years.



Who Is Eligible?

Homebuyers who have not owned
a home in the last three years, dis-
placed homemakers and single par-
ents are all eligible. The home-
buyer's total household income
must fall below the following
amounts:

Household Size	Gross Annual Income Limits
1	\$29,100
2	\$33,300
3	\$37,450
4	\$41,600
5	\$44,950
6	\$48,250
7	\$51,600
8+	\$54,900

Homebuyers must also complete a
Homeownership Education Train-
ing through a certified Housing
Counselor provider. A list of certi-
fied providers is inside this bro-
chure.



American Dream Downpayment Initiative

What Type of House Can I buy?

You can buy a single family (1-4 unit family residence) house, condominium unit, manufactured home and lot or a manufactured housing lot. All homes purchased with ADDI assistance must have a purchase price of less than \$125,000.00. Homes that are tenant occupied are not eligible at this time (unless the tenant is the buyer). The house must meet all applicable local codes and be free of deteriorated paint. A housing rehabilitation specialist from the City or the County will inspect the house once you have a sales contract. If repairs are needed to meet these requirements, it will be up to you to negotiate with the seller to make the repairs. Any repairs to deteriorated paint must be done according to HUD's Lead Safe Housing Rule. If the house needs extensive repairs and is located within the city limits of Knoxville, you may apply for assistance through the City's FirstHome with Rehab Program.

Please contact either the Knox Housing Partnership or the City's Community Development Division for more information.

What About Other Financing?

You can apply for your first mortgage with any lender you choose, as long as your interest rate and terms are no more than reasonable market rate and terms. When combining ADDI and other assistance programs, requirements of both programs must be met.

Will I Need to Pay a Portion of Down Payment/Closing Costs?

Yes. All homebuyers must pay a minimum of \$750.00 towards down payment and closing costs. In addition, homebuyers will not be allowed to get cash back at loan closing.

How Do I Apply?

The first two steps are to complete the Homeownership Education Training with the Housing Counseling Provider of your choice and apply for a mortgage with a lender. When you have the training certificate and a pre-approval letter from your lender, you should call either the City or the County's Community Development Division and schedule an appointment, depending on whether you want to buy a house inside the Knoxville city limits or in the Knox County balance. You will bring the certificate, pre-approval letter, income verification and residence verification to this appointment. This appointment will be to confirm your eligibility for the program. If you are eligible, you will have 45 days to find a house and submit a copy of your signed sales contract to the City or County for an inspection. If you haven't found a house in the first 45 day period, you may request a 45 day extension. Your eligibility will be valid for either the City or the County, as long as funds are available.

Housing Counseling Providers

Knox Housing Partnership
900 E. Hill Avenue, Suite 105
Knoxville, TN 37915
637-1679

The Urban League
1514 E. Fifth Avenue
Knoxville, TN 37917
524-5511

Consumer Credit Counseling
1011 N. Broadway
Knoxville, TN 37917
522-2661

UT Agricultural Extension
400 E. Main, Ste. 560
Knoxville, TN 37901
215-2340

