



Knox County
Community Development
3rd Floor, City/County Building

Room 345

Knoxville, TN 37902

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Funding for Knox County Community Development Housing Programs is provided through the U.S. Department of Housing and Urban Development CDBG and HOME Programs.



Knox County Downpayment Assistance Program

**KNOX COUNTY
COMMUNITY DEVELOPMENT**
TEL: 865-215-3980



What is DAP?

The Knox County Downpayment Assistance Program (DAP) is a federally funded down payment assistance program administered by Knox County Community Development. Knox County's DAP offers up to \$5,000 to eligible first-time homebuyers for closing cost, mortgage insurance premium, and half of the required down payment for purchase of homes within Knox County, but outside the city limits of Knoxville. The assistance is a forgivable loan and will require no repayment as long as the homebuyer 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, displaced homemakers and single parents are all eligible. The homebuyer'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 Training through a certified Housing Counselor provider. A list of certified providers is inside this brochure.

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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 DAP 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 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.

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 DAP 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, home buyers 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 Knox County Community Development and schedule an appointment. You will need to bring the training 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 County for an inspection. If you haven't found a house in the first 45 day period, you may request a 45 day extension. Funding is limited, not all eligible applicants are guaranteed funding.

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

