

Eligible Costs / Pre-paid Expenses (Eligible costs can be paid out of Program funds at time of closing)

The City reserves the right to determine the eligibility of all closing costs and pre-paid items and to request lender documentation of normal and reasonable costs. Following is a list of items for which assistance can be provided if all Program requirements are met:

1. **Closing Costs** – The Program will assist in the payment of normal and reasonable closing costs to process and settle the financing of the property for which the Homebuyer is responsible, provided the costs are not financed. Following is a list of eligible closing costs:
 - Fees for title commitment
 - Title company closing fee
 - Fees for recording and filing legal documents – recording of ADDI mortgage is to come out of ADDI loan funds
 - Survey fee
 - Private lender origination fees
 - Credit reports
 - Appraisal fees
 - Private Mortgage Insurance/Mortgage Insurance Premium
 - Underwriting fee
 - Document preparation fee
 - Pest inspection
 - Pre-purchase inspections
 - Flood zone research fee
 - Reasonable legal fees incurred by the Buyer in reviewing documents
 - MCC fees
 - Cost of lead-based paint risk assessment

TO CUT-DOWN ON OUT-OF-POCKET EXPENSES, YOU MAY WANT TO SEE IF PAYMENT FOR INSURANCE, PEST AND HOME INSPECTIONS CAN BE MADE AT CLOSING.

2. **Pre-Paid Expenses** – The Program may assist in the payment of normal and reasonable pre-paid and escrow expenses to process and settle the financing of the home for which the Homebuyer is responsible, as listed below. **Interest and aggregate adjustment amounts are not eligible.**
 - First year of hazard insurance premium
 - Two months of mortgage insurance premium
 - Two months of City property taxes
 - Two months of County property taxes
3. **Down Payment** – Funds can be used to reduce the principal borrowed by the Homebuyer from the Lender.
4. **Personal Property** – Program subsidies cannot be used to finance the acquisition of furnishings, appliances or other personal property unless those items are considered fixtures under Michigan law.

Please remember that Buyers are required to contribute a minimum of \$500 towards the purchase of the home. Buyers cannot receive any money back at closing.