

## Frequently Asked Questions about CPLP for Potential Home Buyers

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If you are buying a home and your income is below 80% of your county's median income, you may be eligible for down payment assistance that could reduce your overall mortgage payments up to **25%** through NCHFA's **Community Partners Loan Pool (CPLP) program**.

### What is CPLP?

CPLP is the Agency's most generous down payment assistance (DPA) program for eligible low- and moderate-income home buyers. Borrowers can receive up to **25%** of the Sales Price or a maximum loan of **\$40,000**, whichever is less. Our assistance is provided as a zero interest, deferred, subordinate loan that must be combined with a [NC Home Advantage Mortgage™](#) or a [USDA 502 Direct loan](#).

Eligible borrowers work with a [CPLP Member](#) who will explain the various program requirements as well as help you apply for assistance. For more information, please contact a [CPLP Member](#) in your area or read about CPLP on the [Community Home Buying Programs](#) page on our website.

### Am I Eligible for CPLP Assistance?

CPLP assistance is limited to households earning no more than 80% of your county's median income, adjusted for household size. In addition, you must qualify for an approved mortgage and meet minimum credit and underwriting guidelines.

Visit <https://www.nchfa.com/homeownership-partners/community-partners/community-programs/community-partners-loan-pool/forms-and-resources> for the current HOME Program Household Income and Sales Price Limits.

### Are There Sales Price Limits for homes purchased with CPLP funds?

Yes, there are Sales Price limits which vary by County and Type of Home (New Construction vs. Existing).

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### How do I apply for CPLP assistance?

Potential borrowers should contact a [CPLP Member](#), an approved nonprofit or local government housing agency, who will help explain the program to you in more details. If you are eligible and the home you want to purchase meets program guidelines, the Member will help you apply for CPLP assistance.

### What are the CPLP home buyer education and counseling requirements?

Home ownership is both a great opportunity and a big responsibility. The NC Housing Finance Agency wants to help individuals and families not just buy a home but to be successful homeowners. That's why we require every CPLP borrower to complete *at least eight (8) hours*

of home buyer education and pre-purchase counseling provided by the [CPLP Member](#) or an approved provider. For more information, please contact a [CPLP Member](#).

### **Which mortgage lenders can I use with CPLP assistance?**

CPLP borrowers have two options:

1. The majority of borrowers work with a participating [NC Home Advantage Mortgage™](#) lender. To find one in your area, please visit the [Find a Lender](#) page on the NCHFA website.
2. Borrowers purchasing a home in a rural community can use a [USDA 502-Direct Loan](#). For more info on 502 loans, please contact your area [USDA Rural Development office](#).

### **What is pre-approval?**

Meeting with a lender to be “pre-approved” for a mortgage is an important step for potential borrowers to take in the home buying process. It will help determine if you are “mortgage ready” as well as let you know how much you can borrow from of the lender. The loan amount is based on information you provide to the lender.

However, before you go to a lender, you should complete a home buyer education class to learn more about the entire home buying process. You can contact a [CPLP Member](#) to sign up for one of their home buyer classes.

### **What are the required home inspections for CPLP?**

As you look at possible homes to purchase, please keep in the mind that CPLP requires the following home inspections:

- **Newly Constructed** homes, a Certificate of Occupancy or CO is required.
- **Existing Homes:**
  - > Home Inspection by a N.C. licensed Inspector
  - > Minimum Housing Code Inspection or a Housing Quality Standards (HQS) Inspection, whichever is applicable.

Please note that NCHFA requires additional information on homes more than 10 years old. Contact a [CPLP Member](#) for more information.

### **When do I repay my CPLP Loan?**

Your CPLP assistance is structured as no interest, deferred payment loan with a term that matches the 1ST Mortgage, which is 30 years. This means you don't have to make any monthly payments on your CPLP loan for up to 30 years.

Please note that your loan is **not forgiven** over time like the [NC Home Advantage™ down payment assistance programs](#).

At the end of 30 years, the entire CPLP loan amount is due and payable to NCHFA but with no interest. If the borrower cannot pay the loan off in full, they can make payment arrangements with NCHFA.'s servicing department. However, most borrowers will sell their home well before the 30-year term ends and use the sales proceeds to pay off their CPLP loan.

Please note that other conditions will trigger repayment of the CPLP loan. These include refinancing your home to get cash out OR if you no longer reside in the home as your principal place of residence. If you have questions, please contact a [CPLP Member](#).