

## Purchase Assistance Loan

The Purchase Assistance Loan (PAL) program helps low-income homebuyers get their start in the real estate market. Low-interest loans are arranged with the help of lenders who have made arrangements with Oregon Housing and Community Services to help first-time homebuyers finance their home.

PAL homes must be the primary residence of the homebuyer for the life of the loan. Other program requirements will apply. See our website for the location of a participating lender near you.

### Three easy steps to owning your first home

- 1 Take a qualified homebuying class.
- 2 Get pre-qualified for primary financing by a lender.
- 3 Have a signed sale agreement to purchase an eligible home.



### Look interesting?

Find out more on our website:



## Purchase Assistance Loan (PAL)

Call 503-986-2047 (toll free 1-877-ST8-BOND) or visit our website at [www.oregonbond.us](http://www.oregonbond.us)

### How does the program work?

Oregon Housing and Community Services (OHCS) is the state's housing finance agency. We work with approved lenders to offer the Purchase Assistance Loan (PAL) program.

PAL is funded by the American Dream Downpayment Initiative (ADDI) through the federal Department of Housing and Urban Development (HUD).

The program helps low-income first-time homebuyers pay for their downpayment and reasonable closing costs. Funds are provided in the form of 0% interest deferred payment loans. The maximum loan amount is \$10,000.

### What are my first steps?

If you are interested in obtaining a PAL loan:

1. Take a qualified homebuying class.
2. Get pre-qualified for primary financing by a participating lender.
3. Have a signed sale agreement to purchase an eligible home.

## Locating lenders and classes

To locate a list of homebuyer education sites or a lender, visit the Oregon Housing and Community Services Department's website at: <http://www.oregonbond.us>

## Your eligibility requirements

To qualify for a loan through OHCS:

1. The buyer must be an **"Eligible Applicant"**
2. The buyer must be a **"Qualified Borrower"**
3. The selected house must be an **"Eligible Property"**

## What is an "Eligible Applicant?"

To be an eligible applicant, the buyer must:

- Be a "first-time homebuyer," which means meeting one of the following conditions:
  - The buyer has not owned a home during the past 3 years
  - The buyer is a displaced homemaker
  - The buyer is a single parent
- Have a household annual income below 80% of median income, adjusted for family size and county (see our website for a list of median income limits by county)
- Demonstrate a financial need for down-payment assistance
- Complete a homebuyer education program approved by the OHCS

## What is a "Qualified Borrower?"

To be a qualified borrower, the buyer must:

- Have sufficient income to support the first mortgage loan
- Have a Oregon State Bond (OSB) Rate Advantage Loan first mortgage or a comparable 30-year fixed rate term at or below OSB interest rate
- Be pre-qualified by a primary lender
- Contribute \$1,000 or 1% of the purchase price, whichever is lower, in cash toward the purchase from the buyer's own funds

**More information about PAL is posted on our website at [www.oregonbond.us](http://www.oregonbond.us), or you can call us toll free at 1-877-ST8-BOND.**

## What is an "Eligible Property?"

To be an eligible property, the house must:

- Have a purchase price less than the FHA 203(B) maximum limits by area (see our website for maximum limits information)
- Meet the definition of affordable, standard single family housing (a single unit)
- Meet property standards and pass Housing Quality Standards (HQS) inspection
- Pass a visual assessment for lead paint hazards if built before 1978. The house and all structures on the property may not have any chipping or peeling paint surfaces

- Pass a pest and dry rot inspection
- Be located within the State of Oregon, excluding properties located within the city limits of Salem, Keizer, Eugene, Springfield, or within Clackamas, Multnomah, or Washington Counties.
- To inquire about properties in these excluded areas, call:
  - Salem and Keizer 503-588-6178
  - Eugene 541-682-5446
  - Clackamas County 503-655-8591
  - Springfield 541-725-2358
  - Washington County 503-846-8814
  - Multnomah County 503-823-2375

## Oregon Housing and Community Services

725 Summer St NE, Ste B  
Salem, OR 97301-1266  
Phone: 503-986-2047  
Toll-free: 1-877-788-2663  
Fax: 503-986-2125  
Website: [www.oregonbond.us](http://www.oregonbond.us)

