

SPRUCE UP WYOMING I PROGRAM

February 2013

Wyoming Community Development Authority

What is it? The Spruce Up Wyoming I is a mortgage loan program developed by WCDA to address the condition of Wyoming's substandard housing stock available and affordable to **first time homebuyers**.

Who can apply? The Spruce Up Wyoming I Program is for first time homebuyers only. A first time homebuyer is defined as a homebuyer who has not owned a principal residence in the past three years.

What are the terms of the loan? The interest rate is a fixed rate of 3.125% for a term of 30 years. The funding is limited. Contact your WCDA Participating Lender or WCDA for current rates and availability.

Are there income limits? Yes, the Total Annual Family Income cannot exceed the income limits for the standard WCDA Program as summarized below:

Maximum Income Allowable

County	Family Size	
	1 or 2	3 or more
Campbell	\$ 88,000	\$ 101,000
Sublette	\$ 78,000	\$ 90,000
Sweetwater	\$ 79,000	\$ 91,000
Teton	\$115,000	\$ 134,000
All Others	\$ 70,000	\$ 81,000

Can the borrower use WCDA's Down Payment Loan Programs? Under the Spruce Up Wyoming I Mortgage Purchase Program, WCDA will offer assistance with down payment and closing costs to eligible mortgagors under both the Down Payment Loan Program and the Homebuyer Assistance Loan.

Are there rehabilitation requirements?

Yes, WCDA requires that prior to using any rehabilitation funds for cosmetic items, five major systems of the home must be in safe operating condition or will be in safe operating condition after the rehab is completed. These five systems are:

1. Roof including gutters and downspouts,
2. Heating system,
3. Electrical system,
4. Plumbing system including hot water heater and well and septic, if applicable, and
5. Foundation

How does the program work? The program is designed to allow for the acquisition and rehabilitation of an existing home by using:

1. A WCDA / FHA 203 (k) loan, or
2. A WCDA / RD single close loan, or
3. A Lender who provides a temporary bridge loan to buy and rehabilitate the home. After the rehabilitation is complete, the homebuyer receives a permanent take-out loan (FHA or RD loan) from WCDA at the current Spruce Up I interest rate.

What type of loans will WCDA allow under this program?

1. **If the borrower has chosen to do the transaction with a single-close loan**, then either a FHA 203 (k) loan or a WCDA/RD loan may be used. Both loans escrow rehabilitation funds and allow the rehabilitation to take place after the closing of the purchase of the home.
2. **If the borrower has chosen** to obtain bridge/construction loan financing from the lender, then the Spruce Up I permanent take out loan may be: a Rural Development Guaranteed loan, or an FHA loan under the WCDA Standard program.

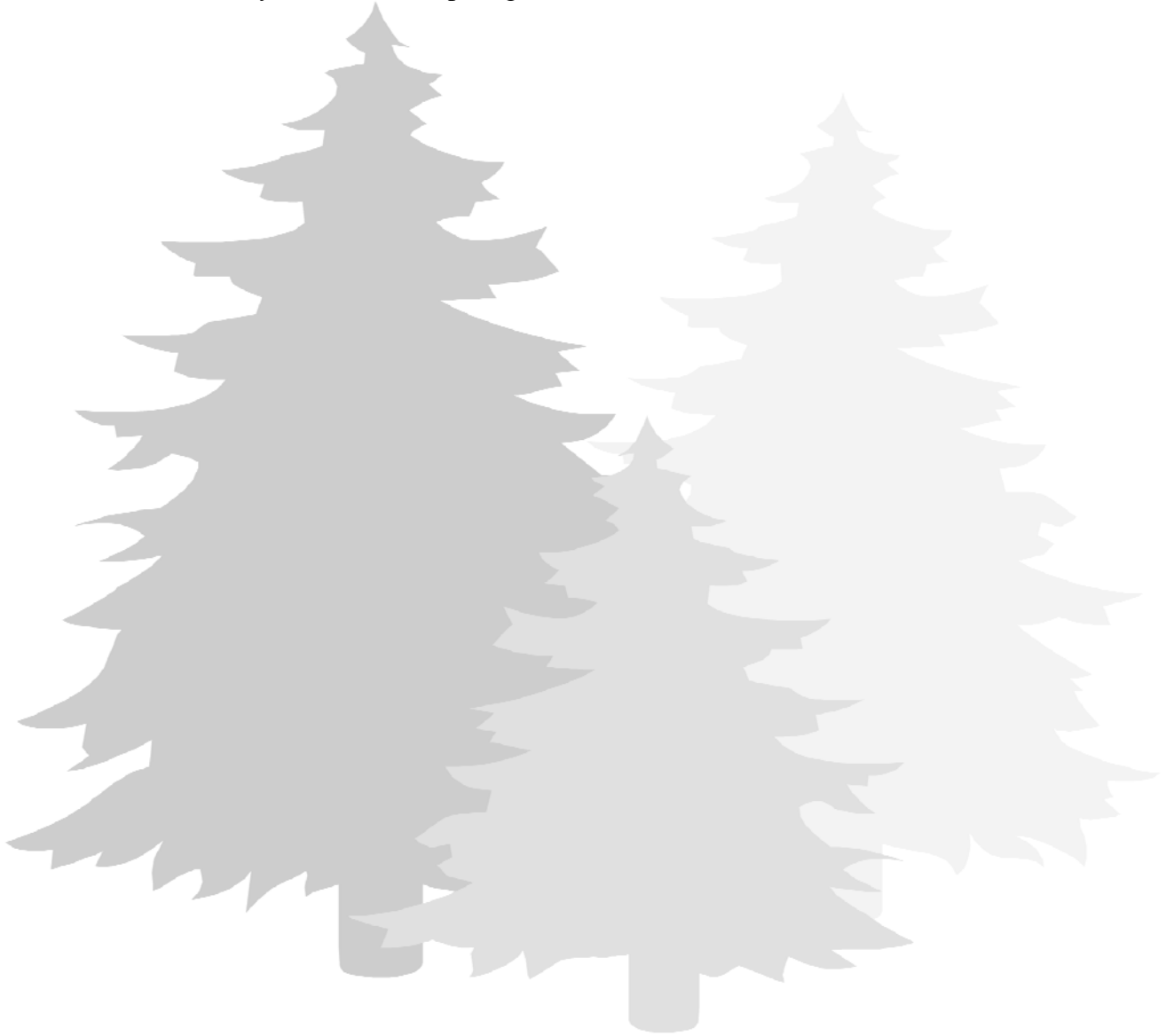
What is the purchase price limit? The Purchase Price / Acquisition Cost limit is \$250,000 in all counties except Sublette in which the limit is \$275,000 and Teton in which the limit is \$400,000. Acquisition cost, for a transaction like this in which the homebuyer is purchasing an existing home and rehabilitating it, includes the purchase of the residence, all of the rehabilitation expenditures incurred (whether such expenditures are financed with the proceeds of the Spruce Up Wyoming I Loan or not), the contingency reserve fund, the payment reserve fund and all financing and other fees necessary to the rehabilitation so long as such expenditures and fees are expended during the rehabilitation of the Residence and are reasonably related to the rehabilitation of the Residence.

Does the purchaser have to live in the home? Yes. The home must be the principal residence of the WCDA Borrower(s) for as long as the WCDA mortgage is in place.

Are only certain properties eligible? Yes. The home must be a one unit, single-family home located in the State of Wyoming. Existing manufactured housing on a permanent foundation is permitted to be rehabilitated under the FHA 203(k) loan program only. However, moving an existing manufactured home not on a permanent foundation to a permanent foundation is **not** permitted.

I have also heard about a WCDA Spruce Up Wyoming II Program. Is there a difference? Yes. Spruce Up Wyoming II “Two” is for first time or non-first time homebuyers to purchase and rehab a home or refinance and rehab a home. There are different program parameters as well as interest rates on the Spruce Up Wyoming II Program.

Who should I contact for more information? You may contact the WCDA office at (307)265-0603 or any WCDA Participating Lender.



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