

CITY OF CRANSTON
DEPARTMENT OF COMMUNITY DEVELOPMENT
CLOSING COST ASSISTANCE PROGRAM GUIDELINES

This program is designed to financially assist income-eligible people who are purchasing a home in the City of Cranston. The program will be administered on a first come first serve basis. An applicant **must** be a first time homebuyer and complete a HUD approved eight (8) hour minimum homebuyers class.

The buyer must be income eligible and a first time homebuyer as defined by HUD guidelines.

- An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers)
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

A recipient must agree, in writing, that he/she will live in the purchased property for a period of **five (5) years** after the assistance is provided (closing date). This written agreement and tally sheet (not a mortgage) will be recorded at the City Clerks Office.

The amount of assistance available to an applicant is capped at **Three thousand dollars (\$3,000.00)**. **The buyer must have a State Lead Inspections preformed on the property which can produce a Lead Safe Certificate that must be submitted to the Department of Community Development prior to receiving any funds from this department. The client cannot receive any closing assistance funds from the seller and then receive funds from this Department. The client cannot receive any cash back at closing.**

As stated above, the goal of the program is two fold: Increase the number of owner occupied homes in the City and provides financial assistance to low-to-moderate income homebuyers.

Applications are taken in office and processed within 48 hours. However, we do require three (3) business days prior to the closing date to review the proposed settlement sheet (**HUD**) to determine grant amount. Arranging for communication of the settlement statement to the CDBG office will be the sole responsibility of the lender or its closing agent. **Cranston's CDBG office will make the check payable to the client and the closing agent.** The amount of the check will be the lesser of the actual cost of the covered services or a **Three Thousand dollar (\$3,000.00)** cap.

Costs covered by this grant program are as follows:

- **Appraisal Fees**
- **Credit report**
- **Title search**
- **Cost of Title Insurance Policy, including survey deletions**
- **Flood Certification fees**
- **Bank processing fees**
- **Closing Attorney's fees**
- **Recording fees**
- **Some miscellaneous charges**

Revised: February 2015