What is the SENCA HOMES Down Payment Assistance (DPA) Program?
The SENCA HOMES program is designed to provide financial assistance for the purchase of existing or newly constructed single-family homes that are safe, decent, affordable, and appropriate for eligible applicants who meet the definition of a first time homebuyer. The purpose of the program is to: provide assistance to those in need, improve the availability of affordable housing, promote home ownership, and improve the condition of existing housing. The program is available in Cass, Johnson, Nemaha, Otoe, Pawnee, Richardson, and Sarpy Counties.

Who is eligible?
To receive assistance, both applicants and the property they wish to purchase must meet eligibility requirements. For the applicant to be eligible, the applicant must: complete SENCA’s Homebuyer Education Course; have total household income that does not exceed the established income guidelines for the program; be pre-approved for permanent financing; and be a first time homebuyer. A first time homebuyer is defined as a person who has not owned any residential real estate during the most recent three years. A person may also meet the definition of a first time homebuyer if they: lost their home due to a legal action or natural disaster; were required by an employer to relocate; are living in overcrowded housing; and/or are living in substandard housing that is not economically feasible to bring up to NEDED Rehabilitation Standards. For the property to be eligible, it must: be a single family existing or newly constructed home located in the counties listed above; be located in a municipality or incorporated community; be able to be rehabilitated at a reasonable cost, not to exceed the program’s maximum amount of $15,000; have a purchase price that does not exceed program guidelines; and be for owner occupied purchase only and cannot be used for rental purposes. Mobile homes are ineligible. Newly constructed homes must meet the 2009 (or most current) International Energy Conservation Code and verification must be provided. Newly constructed homes are NOT eligible for a rehab.

How do I apply for the SENCA HOMES Program?
To apply for the SENCA HOMES Program, you must contact SENCA to schedule a pre-application meeting. These meetings last approximately one hour and allow SENCA staff to gather information needed to determine income eligibility for the program. You must take SENCA’s Homebuyer Education Course prior to the pre-application meeting. Completing SENCA’s Homebuyer Education Course does not automatically qualify a person for the DPA program.

How do I register for SENCA’s Homebuyer Education Course?
You may register for the online class by visiting http://www.ehomeamerica.org/senca. Applications for the in-person class can be found on SENCA’s website, http://www.senca.org, or requested by calling (888) 313-5608, ext. 104 or 107.

What type of financial assistance is available?
The program can provide up to $30,000 in assistance. The amount of assistance will depend upon the amount of work required and the total purchase price of the home. The financial assistance available is divided into two parts. The down payment assistance loan is intended to help “close the gap” between the first mortgage loan amount and the total purchase price of the home. The maximum loan amount is 20% of the total purchase price or $15,000, whichever is less. The assistance is available through a low interest, deferred loan. During the first two years of the loan, no interest accrues and no payment is required. Beginning in year three, interest accrues at 1% and payments, not to exceed $135 per month, begin. This loan is secured via a Deed of Trust filed against the property. The rehab grant is intended to complete minor rehab work on existing homes. The rehab work will be identified through an inspection conducted by SENCA. The maximum grant amount is $15,000. SENCA reserves the right to deny assistance if the amount of work required exceeds the maximum grant amount. Applicants will remain eligible for the program, should they wish to purchase a different house.

Do I have to pay for anything?
There is no fee to apply for the program. However, applicants must put at least $500 of their own money toward the purchase of the home. There is an additional fee of $28, for the filing of SENCA’s Deed of Trust, which will be paid at closing. In some instances, applicants may be asked to agree to pay for some repairs or put in “sweat equity” in order to lower the rehab amount to within the program limits so that they, and the home, may be served.

What is the minimum credit score needed to qualify for the program?
There is no minimum credit score required and SENCA does not run a separate credit check. However, applicants must be credit approved through their primary mortgage lender in order to be credit approved through SENCA.
What loans are compatible with the SENCA HOMES program?
All applicants are required to secure permanent financing through a primary mortgage lender. Compatible permanent financing programs include, but may not be limited to: USDA RD Section 502 and Guaranteed Mortgage Loans, VA Loans, Nebraska Investment Finance Authority (NIFA) Loans, and Conventional Loans. Compatible down payment assistance programs include, but may not be limited to: the FHL Bank of Topeka Down Payment Assistance Grant.

What work is eligible?
The property must conform to Minimum Rehabilitation Standards and any local building codes after work is complete. Eligible repairs include, but are not necessarily limited to: the correction of code deficiencies; structural repairs, such as roof or foundation; repair or replacement of HVAC and other basic equipment; landscaping for non-aesthetic purposes; energy conservation, such as insulation and repairing or replacing doors and windows; fire protection; modifications to make the home more accessible; and lead based paint stabilization. All improvements must be physically attached to the property and permanent in nature. **No work will begin until after closing.** Newly constructed homes are not eligible for rehab.

May I select the work that I want done?
Applicants are consulted regarding the repairs they would like to see to the home. Program staff will make every effort to accommodate the applicant’s wishes regarding eligible or potentially eligible work to the home. However, sometimes the work desired by the applicant(s) is not eligible under the program and cannot be completed with program funds.

How do I find a contractor to complete the rehab work?
The program uses general contractors and sets standards for those who work on projects. Contractors must be registered with the State of Nebraska and insured at $500,000 or more. Contractors must be trained in Lead Safe Work Practices, if working on a pre-1978 home. SENCA has a list of qualified contractors from which applicants may select a contractor. Applicants are welcome to select contractors who are not on the list, provided they meet the standards outlined above. Normally, the lowest responsible and responsive contractor will be awarded a contract, which is between the applicant(s) and the contractor only.

What happens if I’m not satisfied with the work?
During the rehabilitation phase, applicants are responsible for observing the contractor. Any improper or questionable work should be discussed with the contractor. If those discussions fail, the work should be reported to SENCA staff. When requested by the applicant or contractor, staff will visit the site to inspect the work. The applicant and SENCA staff must approve the work before releasing payment to the contractor. The final payment, 20% of the contract amount, is withheld until the home has passed a lead based paint clearance test (if applicable) and SENCA has conducted a final inspection verifying that all work has been completed in a satisfactory manner. A workmanship guarantee of one year takes effect at project completion. During that time, contractors are obligated to repair any defective work.

How does the program test for and address lead based paint hazards?
A lead based paint risk assessment will be conducted on all properties constructed prior to 1978. This risk assessment will identify any known or suspected lead based paint hazards on both the interior and exterior of the home. A copy of the risk assessment will be provided to the applicant(s), all those involved in the sale, and the contractor. Any lead hazards identified will be addressed through the rehab process and lead safe work practices and interim controls will be utilized. When work has been completed, a clearance test will be conducted to ensure that the lead hazards have been properly addressed and no new hazards were created. The clearance test must be passed. SENCA will provide the applicants(s) and contractor with a copy of the clearance report and results.

How long does the SENCA HOMES process take?
The program is a lengthy process with many steps and, as such, requires patience. The process typically takes at least eight weeks from the initial application to the loan closing date. Interested applicants are urged to contact SENCA as soon as possible and PRIOR to signing a purchase agreement. Contacting SENCA after signing a purchase agreement may result in a delayed closing or denial of assistance. All rehab work must be complete within six months of closing.

Who do I contact if I have further questions?
For further information, please contact Rosanna Glathar, Housing Program Manager, at (402) 862-2411, ext. 116, toll free at (888) 313-5608, ext. 116, or via email at rglathar@senca.org.

The above questions and answers are for informational purposes only. They are not meant to be rules and regulations of the SENCA HOMES Down Payment Assistance Program.