

Oregon Flex Lending

Making the Dream of Homeownership a Reality

Frequently Asked Questions

Q: What is the Flex Lending Program?

A: The Flex Lending Program helps low- to moderate-income borrowers with down payment and closing cost assistance to buy a home.

Q: Who is eligible to receive down payment assistance (DPA)?

A: Borrowers earning \$125,000 or less per year for properties located in Oregon. The property you buy must be in Oregon, and it must be your primary residence.

Q: Does the borrower have to be a first-time homebuyer to be eligible for Flex Lending?

A: No.

Q: Does the borrower have to take a homebuyer education class?

A: Yes, any borrower who is a first-time homebuyer will be required to take a homebuyer education class from one of the state's approved homeownership centers, which can be found at <https://www.oregon.gov/ohcs/homeownership/pages/homebuyer-education.aspx>.

Q: Can the borrower own any additional real estate?

A: No, the borrower may not own any other real estate or properties at the time of closing.

Q: Can you use this program to buy a second home or investment property?

A: No, second homes and investment properties are not allowed.

Q: What type of properties can be purchased on this program?

A: A single-unit, single-family residence, condominiums, townhomes and planned unit developments (PUD), and manufactured homes.

Q: What type of properties are not eligible for the program?

A: Multiple-unit properties and singlewide manufactured homes.

Q: What are the income requirements for the program?

A: Income requirements are based on the borrowers' qualifying income. Borrowers' maximum annual income must not exceed \$125,000.

Q: How much is the down payment assistance?

A: Borrowers receive 4% or 5% of the first mortgage loan amount as down payment assistance. Borrowers who meet the Focused Demographics requirement will receive a 5% DPA and all other borrowers will receive a 4% DPA.

Q: What can DPA funds be used for?

A: The Flex Lending DPA funds can be used toward the down payment and closing costs.

Q: I already have DPA. Can I combine it with Flex Lending?

A: Yes, down payment assistance may be combined with other DPA programs.

Q: Does the DPA have to be paid back?

A: For incomes at or below 80% area median income (AMI), the DPA would come in the form of a second mortgage lien against the property with no payments and no interest, and it is forgivable over time. For incomes over 80% AMI, the loan is repayable in monthly installments at an interest rate 1% above the interest rate of the first mortgage. For either situation, additional conditions may apply.

Q: How do I find an approved lender?

A: Visit the Flex Lending webpage at <https://www.oregon.gov/ohcs/homeownership/Pages/flex-lending.aspx>.

Q: What if my lender or loan officer is not approved to use the Flex Lending Program?

A: We encourage loan officers to have their company apply to become an approved lender. To apply, visit <https://www.oregon.gov/ohcs/procurement/Pages/procurement-opportunities.aspx>. The applications are under RFA #7385.



Oregon Flex Lending Program

Call: 503-986-2000

Email: HCS_HomeownershipLending@hcs.oregon.gov

Website: <https://www.oregon.gov/ohcs/homeownership/Pages/flex-lending.aspx>

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