McKenzie County
Job Development Authority

Housing Down Payment Assistance Program

Summary ***The purpose of the Housing Down Payment Assistance Program is to encourage the construction and purchase of single-family homes in McKenzie County by providing down payment financial assistance to homebuyers in McKenzie County who will make the purchased home their primary residence for at least five years. Program funding amount follows these parameters:***

- *5% Down Payment Assistance on existing homes not to exceed $15,000 (no more than 40% of program dollars can go to this)*
- *10% Down Payment Assistance on newly-constructed homes not to exceed $40,000*

Property Specifications

- Homes must be located in McKenzie County and be 'stick' built in place, modular build or a manufactured home affixed to a lot with a permanent foundation as defined by the governing agency, and must have its own parcel identification number.
- Attached single family homes must have five or fewer dwelling units in the building.
- The intent of this program is to assist with permanent financing and not a construction loan. A single-family dwelling can be built or set by a qualified, state-licensed contractor, but requires a certificate of occupancy prior to final closing date.
- This program applies for new purchases only. Replacement homes are not eligible.
- Newly-constructed homes are those that received their Certificate of Occupancy in 2023 or later and have not closed on permanent financing.
- This program cannot be combined with the financing aspect of Watford City Housing Authority's Pathway to Purchase Program.
- This program can be combined with lots that were created as a part of the JDA Shovel Ready Lot Program of 2020.

Additional Specifications for Manufactured Homes

- Applicants acquiring a manufactured home through this program must provide an Affidavit of Affixation and proof that the axle and wheels have been removed from the structure prior to closing. Homes must be first-set only.
- Existing manufactured homes are eligible if the structure is HUD approved. Homes built after 1978 typically have a HUD certificate. A copy of the HUD certificate must be provided prior to closing. Financing must be done through a lender licensed in North Dakota that offers a lending product for a Manufactured home and all city or county building codes must be met, depending on permitting jurisdiction.

Homebuyer Financing Specifications

- Proof of qualification provided by the lender must be submitted as part of the application process to the program. Funding assistance will be provided on the borrower's behalf at the time of closing.
- Financing must be through a lending institution that is licensed in North Dakota.
- There is no purchase price limit or income verification, however the down-payment incentive is limited to a percentage of the appraised value of the home as outlined by the program. These funds may not be used for 'gap financing' in the event the home does not appraise for the sales price.
- Property must be owner-occupied for 5 years or funding may be clawed back, up to the assistance amount. A 5-year declaration of lien interest toward the property will be filed upon closing.
- Funding amount is calculated on appraised value or purchase price of home—whichever is lower.
- An applicant is eligible to be part of this program one time within a 5-year period.
- This program may be used in conjunction with other programs utilized by the North Dakota Lending Institution to assist the borrower in mortgage qualification. These programs are typically accessed in partnership between the lender and the ND Housing Finance Agency.
- Down Payment Assistance Funds will be provided at the time of closing and released to the title company/lending institution on behalf of the applicant and must only be used for down payments.
- The McKenzie County Job Development Authority cannot advise the parties of potential tax implications the program may create. It is ultimately the responsibility for the parties involved in the transaction to understand any income tax implications that may arise out of the program.
- The McKenzie Co Job Development Authority reserves the right to decline applications if they feel that the intent of the program is not being met.

Program duration

The program will run until allocated funds are expended or at the direction of the McKenzie County JDA and/or McKenzie County Board of County Commissioners. To check the status of available funding visit: https://econdev.mckenziecounty.net/grants-incentives/jda-down-payment/

For More Information Contact Cauy Hartel at chartel@co.mckenzie.nd.us | 701-444-8855