

AFFORDABLE HOUSING DEPARTMENT POLICY

SUBJECT: First Time Homebuyers Assistance Policy

EFFECTIVE DATE: May 19, 2009

Amended Date: February 3, 2010

Amended Date: June 7, 2010

PURPOSE: The First Time Homebuyers (FTHB) program provides very low, low and moderate income homebuyers in unincorporated Hillsborough County, Temple Terrace and Plant City with deferred payment loans for down payment and closing costs assistance, hereinafter referred to as DPA. First mortgage financing is available for eligible participants through local private lending institutions.

A. POLICY:

1. Funding Sources: Hillsborough County Government ("County") began the First Time Home Buyers Program (FTHB) in 1992. Funding became available when the State of Florida authorized the State Housing Initiatives Partnership (SHIP) Program through the William E. Sadowski Act, giving local communities a dedicated funding source for affordable housing to those households earning up to 120% Area Median Income (AMI). Funding is also provided through the federal HOME Investment Partnership (HOME) program. HOME funding is restricted to households earning 80% or below of AMI.
2. Allocation of SHIP funds: The SHIP Program statutes requires that 30% of all funds received by the County annually be spent on families earning 50% and below of AMI (Very-Low Income), and another 30% of the funds must be expended for families earning 50.01-80.00% of AMI (Low Income). Further, the SHIP statutes state that 65% of all funds that a local government receives annually must be expended on activities that result in homeownership and 75% of the funds must be expended on activities that involve either new construction or some form of eligible rehabilitation as per SHIP Rule 6737.002(12) (Florida Administrative Code).
3. Maximum Sales Price: Units assisted cannot exceed the maximum sales price as amended annually by the County.
4. Eligibility:
 - a. The FTHB funding is available to families earning 120% and below of the Area Median Income (AMI) for unincorporated Hillsborough County. The basis for ranking cases for funding is first-come, first-served, based on income level.
 - b. Sufficient income and good credit are essential in order for an applicant to qualify for a mortgage loan. In a SHIP-and/or HOME-assisted development where acquisition funds are used and DPA is required, the applicant must not have owned a home in the past 3 years.
 - c. This is a first time home buyers program. First mortgages that require "CoSigners" are not allowed.
5. Down Payment Assistance Limits: In determining the amount of the DPA loan, the lender or non-profit must determine the borrower's maximum down payment amount that the borrower can comfortably put down (at least the minimum required), and the maximum amount that the lender can

lend. The amount of the DPA loan is strictly based upon need.

a. DPA for Neighborhood Stabilization Program (NSP) cases are up to \$65,000 for very low income; up to \$60,000 for low income; and up to \$50,000 for moderate income families.

b. Maximum DPA for First Time Home Buyer (FTHB) cases are up to \$40,000 for very low income; up to \$35,000 for low income; and up to \$25,000 for moderate income families.

c. DPA shall not exceed 50 percent of the purchase price of the home.

d. DPA shall not be provided for cases in which the selling price is greater than the appraisal.

6. Eligible types of housing: The following types of housing units are eligible for the FTHB Program:

- Single-Family Residences
- Condominium units
- Townhouses
- Villas & Zero-Lot Line
- Modular & Manufactured homes (bearing a Florida Department of Community Affairs DCA approved insignia and meeting all requirements of Florida Statute Chapter 553)
- Owner-occupied
- Meets the County's Minimum Housing Code (MHC) and Section 8 Housing Quality Standards (HQS)

7. Loan terms:

a. The County's funds are provided at 0% interest rate and are typically deferred for the term of 30 years. Funding will only cover down payment and closing costs. The County will allow up to forty (40) year mortgages as long as they are fixed rate. In cases where the first mortgage is longer than the traditional thirty (30) years, the County's loan term will always match the length of the borrower's first mortgage.

b. All homes assisted must be Homesteaded Properties. If the borrower converts the home to a rental unit, transfers title, vacates the home, or if the home is refinanced for cash out or home improvement loan is acquired, then the DPA amount must be repaid in full. The terms of the Subordination Policy shall apply to any request for changes in loan terms.

c. If the property is sold within three (3) years of the closing date, fifty percent (50%) of the increase in equity will be retained by the County. After three (3) years, only repayment of the down-payment assistance is required.

1. Occupied Residences: The County cannot finance properties that are currently occupied by tenants who will be displaced/required to vacate the property so that the sale can be finalized.
2. Lead Based Paint: If the home was built prior to 1978, is receiving federal HOME Investment Partnerships (HOME) funds, and there is evidence of peeling, chipping or chalking paint, the property will need to be tested for lead-based paint and may be ineligible for assistance. The Visual Assessment Course Certificate must be submitted with the (Form 52580-A) when there is evidence of deteriorating paint surfaces. Hillsborough County pays for any required lead-based paint inspections.

B. REQUIREMENTS:

1. Property Inspections:

a. All homes that are being purchased in conjunction with receiving FTHB assistance must be inspected by Affordable Housing Department (AHD) inspectors to be sure that they meet Section 8 Housing Quality Standards (HQS) and the County's Minimum Housing Code (MHC). The AHD Inspector will complete the HUD Section 8 Inspection Checklist (Form#: HUD-52580-A). This inspection is solely for AHD to meet the program requirements of the FTHB program; it is not an inspection for the buyer or lender. Home buyers, at their own expense and in conjunction with the lender, are encouraged to utilize a home inspection service as a condition of the sale of the property. No copies of the AHD inspection may be disbursed until the loan closing event as the intent for the use of this inspection is only for AHD's program administration.

b. New Construction homes must have received a Certificate of Occupancy (CO) before the County can provide DPA funds.

c. New home contractors must provide a Warranty package (with warranty length periods clearly defined and identified) to borrowers at or before closing. Contractors are responsible to warrant their work for one year from loan closing; time periods for manufactured materials are based on warranties provided.

2. Applicant requirements:

a. Prospective borrowers must not have owned a home in the past three (3) years.

b. Applicants must first be eligible for a Federal Housing Administration (FHA), Veterans Administration (VA) or Conventional loan from a private lending institution with a rate no higher than one (1) point above the "Fannie Mae 60-Day Rate". The County provides DPA to fund the gap between what the borrower can put down and what the lender can lend.

c. All prospective borrowers must go through a Home Buyers Education program as outlined in the County's "Home Buyer Education" policy, as amended.

d. Applicants who have had a recent bankruptcy or currently have substantial debt and/or poor credit history, may be denied a DPA loan. If this occurs, applicants are encouraged to attend financial counseling.

e. Borrower(s) must be at least two (2) years past the Discharge Date of any bankruptcy. If less than two years, an exception can be made if the first mortgage lender provides a loan approval letter and the case conforms to all other applicable FTHB Guidelines.

f. Applicants cannot have any outstanding judgments or liens.

g. Applicants cannot have liquid assets exceeding \$20,000 except for amounts invested in financial instruments exclusively designated as a retirement account such as an IRA or 401K.

h. First Time Homebuyer Program Applicants shall meet ratio requirements indicated below:

Principal, Interest, Taxes and Insurance (PITI) cannot be less than 25% of the household's gross monthly household income. If it is less than 25%, then the amount of the DPA will be reduced to an amount whereby the PITI is equal to or exceeds 25%. This should be evaluated and adjusted accordingly by the lender or non-profit.

i. Neighborhood Stabilization Program Applicants shall meet ratio requirements indicated below:

Principal, Interest, Taxes and Insurance (PITI) cannot be less than 25% of the household's gross monthly household income. If it is less than 25%, then the amount of the DPA will be reduced to an amount whereby the PITI is equal to or exceeds 25%. This should be evaluated and adjusted accordingly by the lender or non-profit. However, financial assistance may be provided for buyer paid closing costs and prepaids up to \$8,000 to homebuyers whose PITI falls below 25%.

Applicants are required to obtain a first mortgage with a maximum Housing Expense or front ratio not to exceed thirty-three percent (33%) and total debt or back ratio forty-five percent (45%). Desk-top underwriting calculations beyond the ratios listed above shall not be considered.

j. Borrowers must contribute some of their own funds into the purchase of the home. The amount they put down is based on the following:

- 0 -50% AMI -\$500 minimum to include prepaids
- 51 -80% AMI -\$1,000 minimum to include prepaids
- 81-120% AMI -2% of purchase price, or a maximum of \$2,000, to include prepaids

This amount can be cash from the borrower or a gift from a family member. The County may waive the minimum borrower contribution for certain types of mortgages, such as those provided through the Veterans Administration.

Borrowers qualifying and participating in the USDA Sweat Equity Program utilize their completion of the program as the "Borrower's Cash Contribution".

k. Borrowers should make any real estate contract they enter into, "contingent upon obtaining County DPA funds". This will protect the borrower in the event that they are not approved for County DPA funds, or if the County funds are not available.

l. Borrowers shall assure that their loan is a fixed rate mortgage. Borrowers must be able to obtain a first mortgage that conforms to these guidelines. Adjustable Rate Mortgages (ARM'S), interest only loans and balloon payment type loans are not permitted.

m. All FTHB'S must read and sign the County's "Loan Subordination Policy Form" indicating that they have read and understand the County's "Loan Subordination Policy".

n. All household members listed on the County's mortgage document(s) must be residents.

o. With written authorization from the County, FTHB'S will be allowed to change lenders if the originally authorized lender cannot provide the loan through no fault of the first time home buyer.

3. Lenders or Non-Profits requirements:

a. Each lending institution will be limited to submit no more than 3 applications per day during each reservation/commitment cycle. Date-and time-stamping of applicant packages shall be utilized by AHD to establish priority of funding.

b. Determine household income eligibility to fall in one of three categories: Very Low, i.e., 50.00% AMI and below; Low, i.e., 50.01% to 80.00%; or, Moderate, i.e., 80.01% to 120.00%. All members of the household must be included in the income calculation, not just the person(s) on the loan. Minors under 18 do not have their incomes from employment included.

An additional \$5,000 in DPA funds may be awarded to a state certified teacher, state certified nurse, certified firefighter, or a state certified law enforcement officer, if the borrower needs it. Also, if the home is in one of the County's Community Development Block Grant (CDBG) Target Areas, the borrower is eligible to receive an additional \$5,000, if it is needed.

Priority will be provided to very-low and low income households, over moderate income households. Funds will be reserved on a first-come, first-eligible basis while funds remain available for a particular income group (ie., Very-Low, Low and Moderate Income).

c. The HUD-approved agency providing homebuyer education cannot also be the broker/lender providing the first mortgage; nor can the vendor be an affiliate of the firm providing the first mortgage.

d. The lender shall assure that properties to be acquired have no superior judgments and/or liens existing on them at property transfer.

e. The lender shall assure that the Combined Loan-to-Value (CLTV) ratios for DPA do not exceed 105% of the home's appraised value. If the borrower receives the additional subsidy, due to being a state certified teacher, state certified nurse, certified firefighter, or a state certified law enforcement officer and/or, if the home is in one of the County's CDBG Target Areas (as described above in the "Income Lever" section), the additional amount of DPA shall be included in the DPA loan. However, the amount over 105% CLTV shall be in the form of a grant, up to the maximum allowable subsidy amount, based on the amount needed. If a case is above 105%, the lender or non-profit, must obtain approval from the County.

f. The lender shall calculate Household Gross Annual Anticipated Income using the format described in the "SHIP Program Manual", as amended, which follows the HUC Handbook 4350.3.

g. The County will not provide assistance when more than 2% is being charged to the borrower in combined Lender fees for such things as, loan discount, origination fees, and for interest rate buy downs (only the buy-down amount necessary to qualify a borrower), all based on the sales price. Borrowers are only allowed to pay a maximum of one-half of a percent (1/2%) of the sales price on any lender fees "Paid Outside of Closing" (POC). Yield spread premiums and similar fees are not allowed.

h. All closing cost fees must be reasonable as per industry standards. Fees that are excessive will not be allowed. Excessive fees are those which are above the industry standard for a first mortgage financing.

i. Alternative Forms of Investment: If the borrower is building on land they own, the equity in

the land can be used as the minimum investment. Builder or seller contributions are eligible to be used towards down payment.

j. No upgrades: In the case of new construction or remodeling conducted as a condition of sale, First Time Home Buyer assistance shall not be used to pay for luxury improvements or upgrades such as swimming pools, stainless steel appliances, granite countertops, upgraded cabinetry or flooring or any other items that are beyond meeting minimum building code requirements.

4. Qualifying Income and Assets:

a. Verifying Income and Assets: The County requires third party verification of income and assets as mandated by the U.S. Department of Housing and Urban Development and the Florida Housing Finance Corporation. Deviations are not allowed. Using stated income is not allowed. Every income and asset source for everyone living in the household must be verified by a third party source. First, however, income and assets need to be identified. All of the third party verifications received must not be dated more than 120 days from each other. Verifications are only good for 120 days. Once the County issues an "Eligibility Award Letter" it stops the clock on the timing of the verifications.

b. Definition of Annual Income: Annual income is defined as the gross amount of income of all adult household members (excluding employment of minors) that is anticipated to be received during the coming 12-month period. Income information provided by participating households must be verified, and files must include documentation of each participating household's income eligibility.

c. Calculating Income:

- Lenders or nonprofits, should assume that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. For example, if a head of household is currently working for \$7.00/hour, 40 hours/week, the agency should assume that this family member will continue to do so for the next year. Thus, estimated earnings will be \$7/hour x 2,080 hours, or \$14,560. This method should be used even when it is not clear that this type of income will continue in the coming year. For example, assume a family member has been receiving unemployment benefits of \$400/month for 52 weeks at the time of income certification. It is unlikely that the family member will continue on unemployment for another 52 weeks, but because it is not known whether or when the family member will find employment, the local agency should use the current circumstances to anticipate Annual Income. Income would therefore be calculated as follows: \$400/month x 12 months or \$4,800.

- The exception to this rule is when documentation is provided that current circumstances are about to change.

d. Determining Whose Income to Count:

- Count all anticipated income of all household members 18 and older
- Temporarily absent family members. The income of temporarily absent family members is counted in Annual Income-regardless of the amount the absent member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns \$600/week. He keeps \$200/week for expenses and sends \$400/week home to the family. The entire amount (\$600/week) is counted in the family's income;
- Adult students living away from home. If the adult student (over the age of 18) is counted as a member of the household in determining the Income Limit used for eligibility of the

family, the student's income must be counted in the family's income. If the student is full-time (12 hours or more per semester), income to be counted is capped at \$480 annually. An example is a student who spends holidays and summer recess in the household while pursuing a full-time education. If the student is part time (less than 12 hours or more per semester), all of the student's income must be counted; and,

- Permanently absent family member. If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

e. Types of Income to Count:

- All wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services (before any payroll deductions).

- Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family, and the last two years of the business tax forms.

- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, Annual Income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD (currently, that is 2%).

- All gross periodic payments received from Social Security, SSI, welfare, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (except Social Security).

- Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).

- Periodic and determined allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling. Alimony and child support amounts awarded as part of a divorce or separation agreement are included as income unless the applicant (1) certifies that the income is not being provided, and (2) takes all reasonable legal actions to collect amounts due. For example: filing with the Child Support Enforcement Office, State of Florida, Department of Revenue.

- All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (see paragraph 6 under Income Inclusions).

f. Types of Income to be Excluded:

- Employment income of minors, including foster children (age 17 and under) is not included. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor), must be included.
- Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (see paragraph 5 of Inclusions). Excessive irregular deposits will be counted as income and be projected forward.
- Income of live-in aides. If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. A related person can never be considered a live-in aide;
- Income attributable to the care of foster children. Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and,

g. Treatment of Assets: In general terms, an asset is a cash or non-cash item that can be converted to cash. (Note: It is the income earned-e.g., interest on a savings account-not the asset value that is counted in Annual Income).

- Count the income generated by the asset (e.g., interest on savings or checking account). The income is counted, even if the household elects not to receive it. For example, although an applicant may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income. As with other types of income, the income included in Annual Income is the income that is anticipated to be received from the asset during the coming 12 months.
- For most assets, calculating income from the assets is straight forward. Special rules have, however, been established to address situations in which the assets produce little or no income. This rule assumes that a household with assets has increased payment ability, even if its assets do not currently produce income. (For example, a household that owns land that is not rented or otherwise used to produce income.) Rather than require the household to dispose of the property, the rule requires that the "imputed" income be calculated based on a Passbook Rate that is applied to the cash value of *all* assets. (The Passbook rate is established periodically by HUD which is currently 2%.)

Assets That Should Be Considered	Assets That Should Not be Considered
1. Savings accounts and the average 6-month balance of checking accounts. 2. Stocks, bonds, savings certificates, money market funds, and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. 4. The value of land, in excess of land allowable for housing production is an asset. 5. Cash value of trusts that are available to the household.	1. Necessary personal property, except as noted in 10. 2. Interest in Indian trust lands. 3. Assets that are a part of an active business or farming operation. (Noted: Rental properties are considered personal assets unless real estate is the applicant's main occupation. 4. Assets not accessible to the family and provide no income for the family. For example, an abused spouse who legally and jointly owns a house but (1) does not live in the house; (2) receives no income from ownership of the house; and (3) has no ability to sell the house.

<p>6. IRA, Keogh, and similar retirement savings accounts, even though a withdrawal would result in a penalty.</p> <p>7. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment. This amount would be reduced by any penalty for early withdrawal.</p> <p>8. Assets that, although owned by more than one person, allow restricted access by the applicant.</p> <p>9. Lump-sum receipts, such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.</p> <p>10. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.</p>	<p>5. Vehicles specially equipped for the handicapped.</p> <p>6. Equity in owner-occupied condominiums and manufactured homes in which the family lives.</p> <p>7. Assets held in applicant's name but are actually owned by someone else; or</p> <ul style="list-style-type: none"> a. Asset and income from assets accrue to someone else, b. The other person is responsible for paying taxes on income c. Not be confused with joint ownership <p>8. Cash value of life insurance policies</p>
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5. Property Requirements

a. All homes acquired must be inspected. All homes must pass the local housing quality standards and code requirements of Hillsborough County. The Affordable Housing Department inspector will provide this inspection at no charge. (see B.1.a. above.)

b. Homes constructed prior to 1978, when using HOME funds, must have a lead based paint inspection which will be paid for by the FTHB program. If evidence exists of deteriorating paint on surfaces exceeding two (2) square feet or more than 10% of a component, Lead Based Paint Notices must be provided to the purchaser and the *"Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards"* must be signed by both buyer and seller.

c. All homes will require an Environmental Review by AHD, when applicable.

d. The property shall be vacant or occupied by the owner. No tenants can occupy the property at the time the contract is signed.

e. The maximum HOME Program sales price cannot exceed the maximum amount established and updated annually by the County.

f. All homeowners with homes located in a designated flood zone must obtain and maintain a flood insurance policy for the ten of the loan, when applicable.

C. PROCEDURE:

1. Applicants shall follow these steps below for FTHB assistance.

a. Meet criteria of the First Time Home Buyer Program.

b. Enroll and complete a Homebuyer Education Course and obtain a Completion Certificate.

c. Pre-qualify with any lender under the FTHB Guidelines.

d. Assure that Lender or Non-Profit submits a "Request for Loan Commitment Form", "Household Income & Asset Certification Form", "Third Party Verification of Employment Form", and "Third Party Verification of Asset Income Form" to the County to reserve DPA funds.

e. The County will issue a "Preliminary Eligibility Award" letter (ie., "Loan Commitment") to Lender or Non-Profit, with the maximum amount DPA funds available to borrower.

f. Borrower enters into Purchase Contract for Home.

g. Assure that home has a Housing Inspection, if resale (see 8. La. above.)

h. Assure that a complete Loan package is submitted to the County for assistance; amount of assistance to be based on file information and funding availability (File is also reviewed for proper documentation and eligibility).

i. County issues an "Eligibility Award" letter.

j. Loan closing.

2. Lenders/Non-Profits shall follow the following steps for reserving funds for clients:

a. First, obtain a "Preliminary Eligibility Award Letter" to reserve the funds. The County will specify at the beginning of the commitment period the amount of funding available and for what income categories. A representative of the lender or non-profit delivers the following forms-in person and completed-to the County:

- "Request for Loan Commitment From"
- "Household Income and Asset Certification From"
- "Third Party Verification(s) of Employment"
- "Third Party Verification(s) of Assets Income"

Eligible application packages date-and time-stamped by the Affordable Housing Department containing the information above comprises the order in which applicant packages will be considered. Eligible packages will be processed until all funds for a particular funding cycle are depleted. Limits on submittals and ranking by first-come first-served are intended to establish equity in funds distribution to meet the high demand on this program.

If the documentation/forms submitted are missing any information and/or are incomplete, the Lender/Non-Profit will have five (5) business days from the date the County informs them of the missing/incomplete information to provide the documentation to the County. Failure to do so will result in the commitment being withdrawn and the Lender/Non-Profit will have to reapply for funding. The County will provide notification in writing to the lender/nonprofit listing any information and/or documentation that is needed.

A "Preliminary Eligibility Award Letter" will be issued when the County determines, based on the documentation that has been submitted, that the household is income eligible and that sufficient funds exist to commit to the household.

The County's goal is to fax the lender or non-profit a "Preliminary Eligibility Award" letter within five (5) business days of receipt of the required documentation.

The County will allow a borrower to change lenders after the borrower has obtained a "Preliminary Eligibility Award Letter", however this must be done prior to the "Preliminary Eligibility Expiration Date" listed on the letter. The borrower still has to meet all of the applicable FTHB Guidelines.

The "Preliminary Eligibility Award Letter" expires after sixty (60) days. Loans must close within the Commitment Period. The Commitment Period may be extended only in the following circumstances and only with a written request received by AHD before the expiration of the Commitment Period:

- The lender is no longer in business;
- The lender has moved local operations out of state;
- New construction delays that impact home completion through no fault of the borrower, as established with detailed explanations by the builder

b. Second, applicant completes a sales contract. Upon County issuance of a loan commitment via a "Preliminary Eligibility Award" letter, applicant may select a home and complete a sales contract, if one has not been selected already. The executed sales contract is submitted, along with a good faith estimate, to the County for inclusion in the loan document package.

c. Third, within 30 days of receipt of the "Preliminary Eligibility Award Letter", deliver-a FAX will not be accepted-the borrower's completed "Application Package" to the County for approval. To assist in preparing a complete "Application Package", the submittal shall include a completed "County Checklist". Failure to submit a complete file within 30 days of the "Preliminary Eligibility Award Letter" will result in the loan package being returned to the lender/non-profit. The "County Checklist" was established to aid in summarizing the loan package and for reporting. All the forms used in the program are on the checklist as a double check for the lender or non-profit. Some key areas on the form are:

- Homebuyer/Purchase Rehab Boxes -The Purchase/Rehab box should ONLY be marked if the County is funding the repairs, or if the home has had documented/eligible rehab within twelve (12) months prior to closing.
- Appraisal Amount -This is the value of the property, not the cost of the appraisal.
- Borrower contribution -This must be at least the amount required by the Minimum Investment Box.

Prior to the expiration of the original 3D-day Application Submittal period, a lender may provide a request an extension of thirty (30) days on the period in which a complete loan package must be submitted to the County. Requests for extensions-which must be in writing-will not be accepted after the original 30-day Application Submittal period has expired. The Lender must provide an explanation for the extension and receive written approval from the County. If an extension is granted, a complete loan package is required to be submitted to the County within sixty (60) days from the issuance of a "Preliminary Eligibility Award Letter" and the borrower will have a total of ninety (90) days, from the date of Preliminary Approval to close on a home. Absolutely no extensions will be granted beyond the ninety (90) days.

Appraisal: Only an appraisal from a licensed, certified appraiser may be used. Valuations by real estate professionals are not allowed.

Credit Reports: Include the latest credit report in the package. Credit reports are required on both spouses, where only one is required for lender financing. For separated spouses, the County will permit just one spouse to sign the County's loan documents, but will need an affidavit from the estranged spouse stating that home to be purchased is not their homestead. If an affidavit is not possible to obtain, then both spouses will need to sign the County's loan documents.

d. Denied Applications: Lenders or non-profits will be provided written confirmation from the County when applications are denied.

e. Fourth. Schedule Closing: The borrower must close on their home within the sixty (60) day period of the "Preliminary Eligibility Award Letter". Exceptions to the sixty (60) day term will be granted when a new home is being constructed, but the term of the Preliminary Eligibility Award Letter shall not exceed six (6) months. In the event of a man-made, natural or state/federal declared disaster that delays a loan closing and/or new home construction, the County, at its option, may grant an extension on the term of the Preliminary Eligibility Award Letter.

f. DPA funds will only be dispersed once the County approves the loan. Upon review of the completed client loan file, the County will issue an "Eligibility Award Letter".

g. The borrower or borrower's real estate agent should not be permitted to call the County. The County will only confer with the lender or nonprofit.

3. Verifying Income and Assets:

Lenders or Non-profits must also complete and sign the Florida Housing Finance Corporation (FHFC) -"Income Certification Form". The borrower must sign and date the FHFC Income Certification form and the form cannot be dated earlier than the date on the last 3rd Party Verification form received.

a. Employment Income:

Employment verification form completed by the employer or statement from employer on company letterhead; and If employment verification is unavailable, 30-day period of pay stubs, showing employee's name, gross pay per pay period.

b. Self-Employment Income:

- Accountant's or bookkeeper's statement of net income; or
- Audited or unaudited financial statement(s) of the business along with a notarized statement from the applicant giving the anticipated income for the 12 months following certification.

c. Social Security, Pensions, Supplemental Security Income (SSI), Disability Income:

- A benefit verification form completed by the agency providing the benefits (this must be less than 4 months old); or
- An award or benefit notification letter prepared and signed by the authorizing agency.

d. Unemployment Compensation:

- A verification form completed by the unemployment compensation agency; or
- Records from the unemployment office stating payment dates and amounts.

e. Alimony or Child Support Payments:

A copy of a separation or settlement agreement or a divorce decree stating the amount and type of support payment schedule. If the document is not within the 90-day time frame, a notarized statement from the applicant stating current income; or,

- A notarized letter from the person paying support; if not a court order; or,
- A printout from the court or governmental agency through which payments are being made.

f. Recurring Contributions and Gains:

- Notarized statement or affidavit signed by the person providing the assistance giving the purpose, dates, and value of the gifts; or
- A letter from a bank, attorney, or a trustee providing required verification.

g. Unemployed Applicants:

- The income of unemployed applicants with regular income from any source, such as Social Security, pension, recurring gifts, etc., must be verified as covered previously.

APPROVED BY: _____
Director

Date