

  


## Northeast Tennessee/Virginia HOME Consortium



### Downpayment Assistance Program JULY 01, 2014 - JUNE 30, 2015



The Northeast Tennessee/Virginia HOME Consortium has initiated an Affordable Homeownership Program designed to increase housing opportunities for low and moderate-income families. The Consortium has agreed to utilize Federal HOME funds from the U.S. Department of Housing & Urban Development and other grant programs to provide assistance in the form of a due-on-sale deferred payment loan that can be used for down payment, closing cost, and/or principal reduction. The amount of assistance will be between \$1,000 and \$10,000 and will be based on the applicant's need. A Subsidy Analysis will be prepared to determine need. Assistance is subject to availability of funding.



The First Tennessee Development District will be assisting prospective homeowners in the following areas:

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- Washington County, Tennessee\*
  - Sullivan County, Tennessee
  - City of Bristol, Tennessee
  - City Of Bristol, Virginia
  - City of Johnson City, Tennessee
  - City of Kingsport, Tennessee
  - Town of Bluff City, Tennessee
- \* (Homes within the town limits of Jonesborough do not qualify)



### **HOMEBUYER ELIGIBILITY**



Applicants must meet all of the following requirements:

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- The household income must be at or below 80% of area median income as established by HUD.
  - Applicant(s) cannot have owned a home in the last 12 months.
  - Applicant(s) must occupy the property as his/her principal residence.
  - Applicant(s) must complete a homeownership education program taught by approved agency prior to closing.
  - The applicant must obtain fee simple title to the property.
  - Applicants must have a minimum personal investment of \$500 in the transaction.



### **PROPERTY REQUIREMENTS**



Property to be purchased using Consortium funds must meet all the following requirements:

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- The property must be a single-family site-built home, condominium unit, townhouse or double-wide manufactured home that is affixed to a permanent foundation.
  - The property must not be occupied by a tenant.
  - The appraised value must not exceed the HUD HOME limits. (Currently, existing homes are \$155,000 for Washington County and Johnson City, TN, \$ 138,000 for City of Bristol, VA and \$130,000 for all other areas. NEW Construction limit is \$195,000).
  - The property must pass a lead and visual inspection.



For more information, visit [www.ftdd.org](http://www.ftdd.org) , or contact:  
Sherry Trent at the First Tennessee Development District, 423-722-5101 or  
Donna Lewis at the First Tennessee Development District, 423-722-5122



07-29-2014





**NORTHEAST TENNESSEE/VIRGINIA HOME CONSORTIUM  
DOWNPAYMENT ASSISTANCE PROGRAM**

**CHECKLIST FOR RESERVATION OF FUNDS**

**\*\*All of the following must be provided in order to reserve funds from the Consortium.\*\***

**\*\*\*\*INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED!\*\*\*\***

1. ***Fully completed application with information from all household members.***
2. ***Income verification.*** (Copy of most recent pay-stubs covering a 60 day period or written verification of employment, unemployment compensation statement, social security awards letter, etc.)
3. ***Asset Verification.*** (Copy of 2 months bank statements for checking and/or savings accounts, stocks, bonds or other accounts or written verification of assets. Please explain all deposits on statements)
4. ***Signed Sales Contract.*** (Property must be located in Washington County, Sullivan County, including the cities of Bristol, Johnson City, Kingsport, and Bluff City, TN and City of Bristol, VA ) **Please note: Town Of Jonesborough, TN is not eligible**
5. ***Signed Eminent Domain to Seller*** (Provided with application.)
6. ***Copy of Commitment Letter from lender for permanent financing.***
7. ***Good faith estimate of settlement cost charged in conjunction with your loan and the Universal Loan Application.*** (Provided by your lender.)
8. ***You must complete a Homebuyer Education class to take advantage of assistance.*** (Call Eastern Eight to sign up. Class Schedule is attached)
9. ***Recapture Acknowledgment Form and Mortgage Fraud Form***
10. ***Copy Of Photo ID for Applicants***
11. ***Signed Acknowledgement Receipt for Fair Housing Booklet and Lead Based Paint Booklet***

**Upon receipt of income verification, we will determine the amount of  
down payment assistance**

Please return all of the above by mail or fax to:  
Sherry Trent, 423-722-5101 or Donna Lewis, 423-722-5122  
First Tennessee Development District  
3211 North Roan Street  
Johnson City, TN 37601  
Fax 423-722-5126



**2014 HUD Maximum Household Income Limits**  
(Limits are based on the number of persons living in the household  
regardless of relationship.)

*Washington County, Tennessee*

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
\$28,700	\$32,800	\$36,900	\$40,950	\$44,250	\$47,550

*Sullivan County and the City of Bristol, Virginia*

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
\$28,350	\$32,400	\$36,450	\$40,500	\$43,750	\$47,000

**Effective December 18, 2013**

**Northeast Tennessee/Virginia HOME Consortium**  
**HOMEOWNERSHIP ASSISTANCE PROGRAM**  
**APPLICATION/HOUSEHOLD SURVEY**

rev 7/14

Date: \_\_\_\_\_

**PERSONAL INFORMATION**

Head of Household: \_\_\_\_\_ Age: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Marital Status:     Single             Married             Divorced     Widowed

Name of Spouse: \_\_\_\_\_ Age: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Children\Others living in household	Age	Sex	Social Security #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**INCOME (from all sources and all household members):**

Name: _____	Source _____	Amt. /Mo: _____
Name: _____	Source _____	Amt. /Mo: _____
Name: _____	Source _____	Amt. /Mo: _____
Name: _____	Source _____	Amt. /Mo: _____

**CHECKING, SAVING ACCOUNTS (from all sources and all household members):**

Name on Account	Bank Name/ Location	Account #
_____	_____	_____
_____	_____	_____
_____	_____	_____

**LIST ALL OTHER ASSESTS (from all sources and all household members- i.e. stocks, bonds, property)**

\_\_\_\_\_

\_\_\_\_\_

Are either you or your spouse related to any individual who is employed by the local government or The First Tennessee Development District?     Yes     No

Have either you or your spouse owned a home in the past 12 months?     Yes     No

**ADDRESS OF PROPERTY TO BE PURCHASED:**

\_\_\_\_\_

Street

\_\_\_\_\_

City, State and Zip Code

*Northeast Tennessee/Virginia HOME Consortium*  
*Downpayment Assistance Program*

**SUMMARY OF HOUSEHOLD**

- 1. Number of Persons in Household: \_\_\_\_\_
- 2. Number of Elderly Household Members: \_\_\_\_\_
- 3. Number of Handicapped or Disabled: \_\_\_\_\_
- 4. Female Headed Household: \_\_\_\_\_
- 5. Number of Persons 18 years old or younger: \_\_\_\_\_

**FAMILY INCOME CALCULATION**

- 1. Number in Household \_\_\_\_\_
- 2. Income Limits for \_\_\_\_\_ dated \_\_\_\_\_  
 LMI Maximum \_\_\_\_\_ VLI Maximum \_\_\_\_\_
- 3. Payment Frequency:
  - Hourly (hourly rate x number of hours per week)
  - Weekly (weekly salary x 4.3 weeks per month)
  - Bi-Monthly (24 times a year)
  - Every two weeks (26 times a year)
  - Monthly (12 times a year)
  - Other (explain: \_\_\_\_\_)
- 4. Show income calculations to convert to annual gross income below:

**VERIFICATION** (To be filled out by First Tennessee Development District.)

- Income verified by \_\_\_\_\_ using:  
 (Name of verifier)
- Check Stub  Employer Verification Forms
  - Benefit Verification  Copy of Benefit Check
  - Other Verification \_\_\_\_\_

**ASSETS**

Family Member	Asset Description (bank accounts,stocks/bonds,life insur,retire svgs, ...)	Current Market Value	Income from Assets
Total Net Family Assets		1.	
Total Actual Asset Income (as shown on statements)			2.
If line (1) is greater than \$5,000, multiply (1) by 2% (passbook rate) and enter result here; otherwise, leave blank			3.

**SUMMARY OF INCOME DATA (Anticipated income over the next year)**

Family Member	Wages/ Salaries	Other Benefits/ Pensions Income	Public Assistance	Other Income (explain)	TOTALS
TOTALS					4..

Assets Income - Enter greater of lines (2) or (3) above \_\_\_\_\_

Total Anticipated Income – (4) \_\_\_\_\_

**Annual Income** - Assets Income plus Total Anticipated Income \_\_\_\_\_

**INCOME LEVEL**

80% of area median       60% of area median       50% of area median

**QUALIFYING RATIOS (List debts and current minimum monthly payment)**

Gross Monthly Income: \$ \_\_\_\_\_

Housing Ratio (31%): \$ \_\_\_\_\_

Total Debt Ratio (43%): \$ \_\_\_\_\_

**CERTIFICATIONS**

1. Homeowner must provide the program with proof of homeowner’s insurance (minimum - fire coverage).
2. An inspection of the unit will be performed to determine if the unit meets our program requirements. Housing unit must pass inspection to be eligible for assistance. The inspection completed by our administrators is for program purposes only. *We encourage each home buyer to obtain their own Home Inspection from a Qualified Housing Inspector.*
3. Every purchaser of any interest in property on which a residential dwelling was build prior to 1978 is notified that such property may present exposure to lead from lead-based paint. Exposure may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller’s possession and notify the buyer of any known lead-based paint hazards. A visual inspection for possible lead-based paint hazards is required prior to purchase. Units failing inspection will require the current property owner to address identified areas utilizing appropriate interim controls/stabilization process prior to purchase.
4. The funds disbursed through the Northeast Tennessee/Virginia HOME Consortium Homeownership Assistance Program will be a first or second due-on-sale 10-year mortgage with a deed of trust to the City of Bristol Tennessee as Lead Entity for the Northeast Tennessee/Virginia HOME Consortium. Funds will be reserved upon receipt of an executed real estate sales contract on a first come-first served basis until funds are depleted.
5. The assisted property will not be used for any illegal or prohibited purpose or use and will be occupied by the applicant **as their primary residence.**
6. Should the recipient of the assistance request The Consortium to subordinate the lien on the property, the decision to subordinate will be at the discretion of the HOME Consortium. Subordination guidelines are spelled out in the General Guidelines/Policies and Procedures of the Northeast Tennessee/Virginia HOME Consortium Homeownership Assistance Program.
7. Applicant authorizes verification or re-verification of any information contained in the application that may be made at any time by the HOME Consortium, or their program administrator, either directly or from documents received from the first mortgage lender in connection with the purchase of property.
8. The original copy of this application will be retained by the HOME Consortium.
9. Applicants must meet guidelines provided by the Department of Housing and Urban Development (HUD) and the Northeast Tennessee/Virginia HOME Consortium for eligibility. This application, or any information contained herein, may be forwarded for use by a financial lending institution to assist in determining eligibility and/or processing a loan utilizing the Northeast Tennessee/Virginia HOME Consortium’s homeownership assistance program.

**Equal Credit Opportunity Notice:** The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applications on the basis of race, color, religion, national origin, sex, marital status and age. In addition, **Fair Housing Act:** Funds available to the Consortium Homeownership Assistance Program are available to all qualified applicants with no limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin.

**Certification of Accuracy:** The following parties have reviewed the information contained in this form and are in receipt of a copy of this form. The following parties certify, to the best of their knowledge that the information provided by the signatory is true and accurate. I will comply with the HOME program rules and regulations if assistance is approved. I also certify that I am aware that providing false information on the application can subject the individual signing such application to criminal sanction up to and including a Class B Felony.

\_\_\_\_\_  
Applicant \_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant \_\_\_\_\_  
Date

**PLEASE BE SURE AND FILL THIS SECTION OUT COMPLETELY**

**RACE/NATIONAL ORIGIN:** Applicant \_\_\_\_\_ Co-Applicant \_\_\_\_\_

**SEX:** Applicant \_\_\_\_\_ Co-Applicant \_\_\_\_\_

**HISPANIC:** Applicant Yes \_\_\_ No \_\_\_ / Co-Applicant Yes \_\_\_ No \_\_\_

**U.S. CITIZEN:** Applicant Yes \_\_\_ No \_\_\_ / Co-Applicant Yes \_\_\_ No \_\_\_

**PERMANENT RESIDENT ALIEN:** Applicant Yes \_\_\_ No \_\_\_ / Co-Applicant Yes \_\_\_ No \_\_\_



## Certification of Zero Income

(To be completed by adult household members only, if appropriate)

APPLICANT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

1. I certify that I do not individually receive income to have not received income from any of the following sources for the period \_\_\_\_\_ through \_\_\_\_\_:
  - a. Wages from employment (including commissions, tips, bonuses, fees, etc.;
  - b. Income from operation of a business;
  - c. Rental income from real or personal property;
  - d. Interest or dividends from assets;
  - e. Unemployment or disability payments;
  - f. Public assistance payments;
  - g. Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;
  - h. Sales from self-employed resources (Avon, Mary Kay, Amway, Shaklee, etc.;
  - i. Social security payments, annuities, insurance policies, retirement funds; pensions, or death benefits;
  - j. Veteran's benefits;
  - k. Supplemental security income;
  - l. Any sources not named above
  
2. I currently have no income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understands(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information will result in the termination of Grant Agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# Northeast Tennessee/Virginia HOME Consortium



Bluff City, Tennessee ★ Bristol, Tennessee ★ Bristol, Virginia ★ Johnson City, Tennessee ★ Kingsport, Tennessee  
Washington County, Tennessee ★ Sullivan County, Tennessee

## Disclosures to Seller with Voluntary, Arm's Length Purchase Offer

Date: \_\_\_\_\_

Dear \_\_\_\_\_:  
(Seller)

This is to inform you that \_\_\_\_\_ (Purchaser) would like to purchase your property located at \_\_\_\_\_, if a satisfactory agreement can be reached. We are prepared to pay for clear title to the property under the conditions described in the contract of sale on behalf of the purchaser.

Because Federal funds are being used in the purchase, we are required to confirm with you the following information:

1. The sale is voluntary. If you do not wish to sell, the Purchaser will not acquire your property. The Purchaser and the Consortium do not have the power to acquire your property by condemnation (i.e., eminent domain).
2. We estimate the fair market value of the property to be \$\_\_\_\_\_ (sales price).

Since the purchase would be a voluntary, arm's length transaction, you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to assist the Purchaser in acquiring it. If you are willing to sell the property under the conditions described in the contract of sale, please sign below.

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Seller

Sherry Trent  
Housing Programs Director  
423-722-5101 or

Donna Lewis  
Housing Programs Assistant  
423-722-5122

Administrative Agent:  
First Tennessee Development District  
3211 North Roan Street  
Johnson City, TN 37601  
423-722-5122 Fax 423-722-5126

# Northeast Tennessee/Virginia HOME Consortium



Bluff City, Tennessee ★ Bristol, Tennessee ★ Bristol, Virginia ★ Johnson City, Tennessee ★ Kingsport, Tennessee  
★ Sullivan County, Tennessee ★ Washington County, Tennessee

## **RECAPTURE ACKNOWLEDGEMENT: Please sign and return with the application.**

Beneficiaries of the program must have a total family annual gross income at or below 80% of Area Median Income (AMI). Income limits are determined by HUD income guidelines. Families at or below 80% of AMI will be eligible for a deferred payment due-on-sale loan based on a Subsidy Needs Analysis. The Subsidy Analysis determines the amount of assistance.

### **Assistance Amounts will be between \$1,000 and \$10,000**

The assistance will be in the form of a due-on-sale loan with a maturity date of ten (10) years that can be used for any of the following or a combination thereof: downpayment, closing costs or principal reduction for the applicable amount. There shall be no forgiveness during the first five years of the loan; however, from year six through year ten, the loan shall be forgiven at a rate of 20% per year resulting in total forgiveness at the end of the ten-year period.

The amount to be recaptured is limited to the net proceeds available from the sale.

\_\_\_\_\_  
**Signature of Applicant**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature of Co-Applicant**

\_\_\_\_\_  
**Date**

# MORTGAGE FRAUD IS INVESTIGATED BY THE FBI



**Mortgage Fraud is investigated by the Federal Bureau of Investigation and is punishable by up to 30 years in federal prison or \$1,000,000 fine, or both. It is illegal for a person to make any false statement regarding income, assets, debt, or matters of identification, or to willfully overvalue any land or property, in a loan and credit application for the purpose of influencing in any way the action of a financial institution.**

*Some of the applicable Federal criminal statutes which may be charged in connection with Mortgage Fraud include:*

- 18 U.S.C. § 1001 - Statements or entries generally
- 18 U.S.C. § 1010 - HUD and Federal Housing Administration Transactions
- 18 U.S.C. § 1014 - Loan and credit applications generally
- 18 U.S.C. § 1028 - Fraud and related activity in connection with identification documents
- 18 U.S.C. § 1341 - Frauds and swindles by Mail
- 18 U.S.C. § 1342 - Fictitious name or address
- 18 U.S.C. § 1343 - Fraud by wire
- 18 U.S.C. § 1344 - Bank Fraud
- 42 U.S.C. § 408(a) - False Social Security Number

*Unauthorized use of the FBI seal, name, and initials is subject to prosecution under Sections 701, 709, and 712 of Title 18 of the United States Code. This advisement may not be changed or altered without the specific written consent of the Federal Bureau of Investigation, and is not an endorsement of any product or service.*

Signature

Date

Signature

Date



# Homebuyer Education - 2014

You **MUST** attend both parts A & B to receive certificate.

PART	DAY	DATE & TIME		LOCATION
A	TUE	07/01	5:30 - 9:30 p.m.	Johnson City
B	THURS	07/03	5:30 - 9:30 p.m.	Johnson City
A&B	SAT	07/12	9:00 - 5:30 p.m.	Johnson City
A&B	SAT	07/26	9:00 - 5:30 p.m.	Greeneville

A	MON	08/04	5:30 - 9:30 p.m.	Johnson City
B	TUE	08/05	5:30 - 9:30 p.m.	Johnson City
A&B	SAT	08/16	9:00 - 5:30 p.m.	Johnson City
A&B	SAT	08/23	9:00 - 5:30 p.m.	Kingsport

A	MON	09/08	5:30 - 9:30 p.m.	Johnson City
B	TUE	09/09	5:30 - 9:30 p.m.	Johnson City
A&B	SAT	09/20	9:00 - 5:30 p.m.	Bristol
A&B	SAT	09/27	9:00 - 5:30 p.m.	Rogersville

A	MON	10/06	5:30 - 9:30 p.m.	Johnson City
B	TUE	10/07	5:30 - 9:30 p.m.	Johnson City
A&B	SAT	10/18	9:00 - 5:30 p.m.	Johnson City
A&B	SAT	10/25	9:00 - 5:30 p.m.	Greeneville

A&B	MON	11/03	9:00 - 5:30 p.m.	Johnson City
A&B	TUE	11/04	9:00 - 5:30 p.m.	Johnson City
A	SAT	11/15	5:30 - 9:30 p.m.	Johnson City
B	SAT	11/22	5:30 - 9:30 p.m.	Kingsport

A	MON	12/01	5:30 - 9:30 p.m.	Johnson City
B	TUE	12/02	5:30 - 9:30 p.m.	Johnson City
A&B	SAT	12/13	9:00 - 5:30 p.m.	Bristol

You must call 423-232-2047 to register and to be given the workshop location; unregistered attendees will not receive a certificate. Dates are subject to change - the most accurate HBE schedule can be found at [www.e8cdc.org](http://www.e8cdc.org)

**REQUEST FOR CLOSING  
NORTHEAST TENNESSEE/VIRGINIA HOME CONSORTIUM**

<b>Applicants Name:</b> _____
<b>Property Address:</b> _____
_____
<b>Phone Number:</b> _____

<b>Lender Name:</b> _____
<b>Contact Person:</b> _____
<b>Phone Number:</b> _____

<b>Closing Date and Time:</b> _____
(Date must be at least <b>14</b> days from submission of this form and receipt of all supporting documents listed below.)

<b>Closing Attorney or Title Company:</b> _____
<b>Contact Person:</b> _____
<b>Phone Number:</b> _____
<b>Email Address:</b> _____

**All items below must be turned in before assistance check can be requested.**

- 1. Copy Of Signed Application - (A complete application includes having applicant fill out demographic information on page 4 of application)**
- 2. Copy of Driver's License or State Issued Photo Identification Card**
- 3. Verifications of income and assets (2 Months Bank Statements, 2 Months Pay History, IF self- employed 2 years Federal Tax Returns and current Profit and Loss statement)**
- 4. Copy of applicants "good faith estimate" of closing cost and all funding sources for the purchase**
- 5. Copy of Universal Loan Application –FORM 1003**
- 6. Lender approval letter**
- 7. Copy of the appraisal for at least the purchase price of the property**
- 8. Verification that applicant has completed homebuyer education class**
- 9. Copy of the signed sales contract**
- 10. Signed Acknowledgement Receipt for Fair Housing Pamphlet**
- 11. Signed Acknowledgement Receipt for Lead Based Paint Pamphlet**
- 12. Signed Consortium Disclosure to the Seller**
- 13. Signed Recapture Acknowledgement Form**
- 14. Signed Mortgage Fraud Form**

**Send all documents to:**  
**Sherry Trent, 423-722-5101, Email: [strent@ftdd.org](mailto:strent@ftdd.org) or**  
**Donna Lewis, 423-722-5122, Email: [dlewis@ftdd.org](mailto:dlewis@ftdd.org)**  
**First Tennessee Development District**  
**3211 North Roan Street**  
**Johnson City, TN 37601**  
**Fax: (423) 722-5126**

## Lender/Applicant Checklist

Please provide the following to the Northeast Tennessee/Virginia HOME Consortium for your client to be eligible to receive funds:

- Good faith estimate - *\*Please disclose all other funding sources – (Welcome HOME Funds, IDA Funds, Seller Paid Closing Costs)*
- Universal Loan Application – HUD Form 1003
- Copy of the appraisal
- Paystubs for 60 days, Social Security awards letter, most recent W-2, or other income verification, 2 months statements from Bank Accounts ,and if self employed, the current and previous year Federal tax return along with a Profit and Loss Statement
- Copy of signed sales contract
- Request to Close Form - **Please notify us of closing dates as soon as possible. This will help prevent a delay in processing a check request**
- HOME Consortium Application
- Signed Consortium Seller Disclosure
- Copy of Drivers License for Applicants

**Reminder: Homebuyer must attend Homebuyer Education Class – If you need a copy of the Certificate, please let us know.**

**PLEASE NOTE: Debt to Income Ratios for OUR Program - 31% Housing – PITI (Payment, Interest, Taxes and Insurance) and 43% Total Debt to Income Ratio**

**\*Recent changes in the HOME rule require that we complete a *Subsidy Needs Analysis* for every homebuyer. The analysis is to compute the amount of assistance needed to make the home affordable. The information from the good faith estimate is used to calculate the amount of assistance.**

## Lender Notes

Buyer paid closing cost, points, origination fees, underwriting fees, mortgage broker fees and other similar fees are to be reasonable and are not to exceed 6% of the purchase price of the home.

Interest rates are to be reasonable. Rate cannot exceed 3% over the Wall Street Prime Rate.

Balloon Notes are not acceptable first mortgage loans.

First mortgage loans are preferred to be fixed rate loans but adjustable rates are acceptable if the first 10 years of the loans are fixed.

Please have homeownership assistance program approved with your underwriters in advance to avoid closing problems and issues with funds for closing. We will secure our note with a deed of trust in second position. Even though our deed of trust is a “soft second,” combined loan to value may exceed 100%.

