

PROGRAM SUMMARY SHEET
Homebuyers Downpayment Assistance Program
for Fillmore County and Communities
(A Program of the Fillmore County Development Corporation)
Homeownership Opportunity Program – HOP
March- 2011

BACKGROUND: With assistance from the County of Fillmore County, the Fillmore County Development Corporation (FCDC) has received funds from the Nebraska Affordable Housing Program to provide downpayment subsidies to Homebuyers for the purchase of **existing homes** within Fillmore County. This Program Summary Sheet will outline the requirements of the Program. For questions or further information, please contact: David R. Taladay, Programs Manager, Southeast Nebraska Development District (SEND), 2631 'O' Street, Lincoln, NE, 68510-1398, or telephone (402) 475-2560.

TIMEFRAME: This program will continue until all Downpayment subsidy funding is obligated or through August 2012. This program will be available to individuals and families on a first come, first serve and first to close basis until the funds are depleted.

GUIDELINES:

- (1) **Maximum Downpayment Subsidy** = Up to 20% of the total project cost, not to exceed \$17,000.00, with the total purchase price not to exceed \$135,000.00 for an existing home.
- (2) **Required Buyer Downpayment** = 2% of the purchase price as a minimum. This can be accounted for in closing costs and verified by a completed HUD -1 form. (Cash Assets in excess of \$5,000 may be required to be applied to closing costs and the downpayment.)
- (3) **Other Property Requirements:** The home to be purchased cannot be located in a 100-Year floodzone area. The home to be purchased must be located within an area zoned as "residential" or "agricultural". If within the County, the acreage on which the home is located must meet zoning regulations and be a maximum of 3-acres. The home to be purchased must pass a **Housing Quality Standards (HQS)** inspection prior to closing. The home to be purchased must pass a "**Lead Paint Hazard Screening**" prior to purchase, especially if the home was constructed prior to 1978. The home must be the "**primary residence**" of the new owner(s).
- (4) **Applicant Income Qualification:**
 - a. **PREVIOUS INCOME:** Adjusted Gross Income cannot exceed the following, based on the York County 80% Median income and Household size indicated:

<u>1 PERSON</u>	<u>2 PERSON</u>	<u>3 PERSON</u>	<u>4 PERSON</u>	<u>5 PERSON</u>	<u>6 PERSON</u>	<u>7 PERSON</u>	<u>8+PERSON</u>
\$30,450	\$34,800	\$39,150	\$43,500	\$47,000	\$50,500	\$53,950	\$57,450

(Applicant will be required to furnish a copy of the latest Income Tax Return and/or W-2's.)

- b. **ANTICIPATED INCOME:** Eligibility determinations are also based on anticipated income with the same limits above. Copies of at least 2-current wage statements, interest statements, unemployment compensation statements and certification of any other income verifications necessary will be required
- (5) **Applicant Needs Primary/Lead Lender:** The applicant is required to have a primary/lead lender finance the remaining balance of the home purchase, as the HOP assistance will be a "deferred conditional loan", as a second mortgage. Therefore, the applicant must apply and secure financing from a financial institution of their choosing. Land contracts will not be considered. Program staff may assist clients in locating non-standard financing. Contact (402) 475-2560.

Homeownership Opportunity Program (HOP) for Fillmore County-continued

- (6) **Minor Rehabilitation:** FCDC may provide funds to complete minor repair and/or rehabilitation work in the form of a **“conditional grant”** to meet Nebraska Department of Economic Development (DED) Rehabilitation Standards. The maximum amount of these grants will be \$7,500 per home. Any and all work to be completed must meet the NDED Minimum Standards for Rehabilitation. Additional rehabilitation funds may also be secured through the USDA-RD Section 502 or 504 programs. FCDC reserves the right to deny assistance in the event that the rehabilitation work required to bring the home up to NDED Minimum Standards exceeds the maximum allowable grant amount of \$7,500 and/or the home cannot be brought up to the Standards. All approved rehabilitation work will be completed after the purchase, but a contract for work to be completed will be executed at the “loan” closing. The property must pass a “Lead Paint Hazard Clearance” examination after completion of rehabilitation work.

OTHER PROGRAM CONDITIONS:

HOMEOWNERSHIP EDUCATION: The applicant will be required to attend **a Homebuyers Education Class**. Certification of Homebuyer’s Education must be completed prior to any final obligation of funding.

SECURITY: The buyer will be required to execute a **Promissory Note** in the amount of the downpayment subsidy, which will be a “soft” second mortgage with no direct repayment. FCDC will place a Second **Deed of Trust** against the property as security for the Promissory Note. These security instruments will hold for the entire ownership of the property. Obligations under the note are as follows: If the buyer moves, rents, sells, transfers the title or abandons the home purchased through this program, repayment of the subsidy amount in full will be required at 0% interest. Security Documents will be executed at loan closing and filed at the County Register of Deeds.

Program Application process: In order to access this program, the following steps should be taken:

- Complete the **HOP Application**,
- Provide a copy of the applicant’s latest Income Tax Return for all household members that are required to file
- Provide a copy of the applicant’s current wage statement(s), for all household members employed
- Return the executed Application and requested documents to: **David R. Taladay, Programs Manager, SENDD, 2631 “O” Street, and Lincoln NE 68510**, phone at (402) 475-2560 or fax to (402) 475-2794.

FURTHER INFORMATION: If you have further questions, please contact David R. Taladay at (402) 475-2560. Fillmore County Development Corporation is an equal opportunity housing organization working to provide assistance to Homebuyers. We congratulate and encourage Homebuyers on their efforts to purchase homes and build equity for the future.

(Last revised: March. 2011)