

CCHDC@iiline.com

SHIP HOMEOWNERSHIP ASSISTANCE PROGRAM

Dear Cape Coral First Time Homebuyer:

Thank you for inquiring about Cape Coral's Down Payment / Closing Cost Assistance Program. Funds are limited and are available on a first come first serve basis for the first time homebuyers who meet income guidelines and are buying a home in Cape Coral. To participate in the program, the following steps should be followed:

1. Contact a Realtor or a builder and a lender. Learn how much you can afford to pay for a house (including principal, interest, taxes, and insurance) and then locate an existing house or select a new one that you can afford and that meets your needs. It must be located in Cape Coral.
2. Give the Lender Referral Form to your lender. Explain to them that you want to participate in this program. Have the lender contact us with any questions.
3. Execute a Real Estate Purchase Contract, subject to approval of financing and down payment assistance funds.
4. Follow through with your lender. Work with your lender to provide all of the information needed for your mortgage. We will receive this information from you lender and notify them if you are approved for the assistance.
5. Attend and complete a "First Time Homebuyers Workshop" (REQUIRED) please call for an appointment.
6. Approval and Closing. The assistance will be considered a second mortgage on the home. It will last for ten years. If you reside in the home as your principal residence for ten years, the mortgage will be forgiven at the end of the ten years. If you sell the home or move before that time, the second mortgage will be due in full.

Remember that funds are limited and are available on a first come first served basis. For more information, contact Bonnie Timberlake, Executive Director of Cape Coral Housing Development Corporation at 573-1222.

Attachments: Fact Sheet, Acknowledgement Form, Lender Referral Form, Income Certification, and Income Guidelines.

CAPE CORAL HOUSING DEVELOPMENT CORPORATION
Down Payment Assistance Program

1.) Goals

The primary goal of this Down Payment Assistance Program is to:

Enable very-low, low and moderate-income families in the City of Cape Coral to fulfill the dream of owning a home.

2.) Types of Homeownership Assistance

The objective of the Down payment Assistance Program will be met by providing up to \$5500.00 for Very Low applicants, \$4500.00 for Low applicants or \$3500.00 for Moderate Income Applicants. The funds can be applied to reasonable closing costs and/or the down payment for eligible applicants who can qualify for 95% to 97% mortgage financing (loan to value or loan to cost mortgage loans).

3.) Method of Repayment

Each type of assistance will be secured by a 0% interest second mortgage on the property. The note will have a term of ten years. If the applicant stays in the home for the ten years, the second mortgage is then forgiven. If the client sells or refinances the home, the second mortgage amount is due in full.

4.) Marketing / Outreach

The Cape Coral Housing Development Corporation (CCHDC) will make efforts to inform the public of the program through press releases. The target market will be those families that fall within the income limits and have been saving to purchase a home, but have not been able to accumulate all the necessary cash for the down payment and/or closing costs. The CCHDC will also inform local lenders, realtors and homebuilders that the program is available. Funds will be available on a first come, first serve commitments from the lenders (subject to the requirements established in section 5.)

5.) Basic Eligibility Requirements

In order to qualify for Down Payment Assistance the following requirements must be met:

- A. Total household income must not exceed the income ranges as set forth under the SHIP Program guidelines. See attached Lender Referral Form and Income Guidelines.

Income shall be verified and documented by receipt of copies of the approved loan application and other necessary documentation from a participating financial institution.

- B. Applicants must be able to qualify and obtain a firm commitment for a mortgage, subject to their eligibility for assistance through this program, from a lender.
- C. Applicants, which meet the income requirements but have sufficient cash resources necessary for the total down payment and closing costs, will not be eligible for assistance through the program.

- D. Applicants must contribute their own funds toward the purchase of the property in the amount of no less than \$1,000 for Very Low, \$1,200 for Low and \$1,500 for Moderate-income levels. This minimum amounts provided by the applicant can be utilized towards the down payment and/or closing costs.
- E. Applicants must purchase a single family home located in the city of Cape Coral.
- F. An application fee payable to the Cape Coral Housing Development Corporation in the amount of \$500.00 will be required at loan closing.
- G. Applicants must provide a fully executed contract for the purchase of a single-family residence.

6.) Applicant Pre-qualification/Approval Process

A qualified Cape Coral lender will meet with individual applicants to make a preliminary assessment of their eligibility for the Direct Homeownership Assistance Program. The qualification process shall include an assessment of whether they fall within the income limits and whether they have any cash assets to contribute toward total down-payment and closing costs. The applicant will be required to bring in current pay stubs, three (3) years prior tax returns, copies of statements to verify cash assets and a copy of the real estate purchase contract.

Applicants who have not signed a purchase contract will still be assessed for basic eligibility and given basic information regarding the program. The Cape Coral Housing Development Corporation will have available to potential applicants a direct Homeownership Assistance Program outline. However, the potential applicant should be cautioned that they should not execute a purchase contract unless it is subject to approval of financing and down payment assistance.

Funds are limited and will be available on a first come, first served basis. Please call to inquire about availability of funds at 573-1222, the Cape Coral Housing Development Corporation.

If the applicant meets the basic eligibility criteria the lender will complete a Lender Referral Form and forward a complete credit package to the Cape Coral Housing Development Corporation. A complete credit package will include the following:

- A. The lender agrees to provide a written commitment to the Cape Coral Housing Development Corporation. The commitment will state that the applicant qualifies for a first mortgage subject to receipt of Homeownership Assistance funds (a specific dollar amount to be provided by the lender).
- B. The applicant's gross household income as verified through third party sources and as noted on the application does not exceed the maximum allowable loan application along with all applicable verifications (including cash available to close) to the Cape Coral Housing Development Corporation.
- C. The lender agrees to provide the Cape Coral Housing Development Corporation with a good faith estimate of closing costs in conjunction with the transaction.
- D. If all requested information is not provided at time of application for the Direct Homeownership Assistance the credit package will be returned to the lender for completion.

Upon receipt of all required items by the Cape Coral Housing Development Corporation, the Cape Coral Housing Development Loan Committee will meet bi-weekly who will approve/deny application requests.

The Cape Coral Housing Development Loan Committee will provide the lender with a written confirmation of the applicant's eligibility for assistance through the program. The approval letter shall indicate that the amount of assistance provided will be the minimum amount necessary to close the transaction. Approval letters will be sent to the lenders following each bi-weekly loan committee meeting.

7.) Disbursement/Closing Process

Upon receipt of the approval letter, the lender will be required to provide the Cape Coral Housing Development Corporation with the following items:

- A. A firm closing date. The Cape Coral Housing Development Corporation will need approximately ten (10) working days notice prior to closing in order to have the funds available.
- B. A copy of joint Mortgagee Title Insurance Policy listing the Cape Coral Housing Development Corporation, a Nonprofit Corporation, as second mortgagee.
- C. A copy of the settlement statement indicating cash to close including all fees for documents to be recorded in conjunction with the homeownership program.

Upon receipt of all the above items, the Closing Agent will be instructed to complete the mortgage and promissory note. A check for the necessary amount will be payable to the title insurance company or closing agent.

Provided courtesy of:

<http://www.downpaymentsolutions.com>

Other sections of interest:

http://www.downpaymentsolutions.com/home_buyer_education/documents.shtml

<http://www.downpaymentsolutions.com/links/links.shtml>

<http://www.downpaymentsolutions.com/articles/articles.shtml>

<http://www.downpaymentsolutions.com/states.shtml>

Other Sites Being Managed:

<http://www.credit-advise.com/>

<http://www.cashadvance-payday.com/>

Applicant Acknowledgement of Terms & General Release Authorization

I/We, _____
(Borrower (s)), acknowledge that this referral does not guarantee that I am approved for assistance in conjunction with the Cape Coral Housing Development Corporation Direct Homeownership Assistance Program and/or permanent mortgage financing through the lender making this referral. I authorize the lender or its designated agent to release any information necessary to determine my/our eligibility for the program to the Cape Coral Housing Development Corporation and/or designated agents of such.

Borrower Date

Borrower Date

Cape Coral Housing Development Corporation assistance is being funded in part by state and federal grant funds and is subject to all Florida Records Laws. All applicant files and income documentation are subject to public purview according to Florida's Public Record Laws, Chapter 119, Florida Statute.

VERIFICATION OF: Assets on Deposits

(Application Information)

Name of Applicant or Tenant:

Return to:

Name: _____

Agency: _____

Address: _____

Checking
Account
No.

Savings Account

Certificate of
Deposit Account
No.

AUTHORIZATION: State and Federal Regulations require us to verify Income from Assets of all members of the household applying for assistance. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status of the household.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.

RELEASE: I hereby authorize the release of the requested information.

(Signature of Applicant/Tenant)

Date: _____

Or:

A copy of the executed "Release of Information Form" is attached which authorizes the release of information.

WARNING: Florida Statute 817 provides that willful false statements or misrepresentation concerning Income and assets or liabilities relating to financial condition is a misdemeanor of the first degree and is punishable by fines and imprisonment provided under S 775.082 or 775.83.

**PLEASE FAX A COPY OF THE CLOSING STATEMENT
TO 573-1223 FOR REVIEW PRIOR TO THE RELEASE OF
SHIP FUNDS.**

**ALSO MAKE SURE WE HAVE RECEIVED A
MORTGAGEE TITLE POLICY INSURING CAPE CORAL
HOUSING DEVELOPMENT CORPORATION.**

LENDER REFERRAL FORM

The Applicant identified below appears to meet the basic eligibility requirements for Cape Coral Housing Development Corporation's Direct Homeownership Assistance Program based on preliminary information received during their mortgage application.

Name of Lending Institution _____ Phone _____
 Address of Lending Institution _____
 City, State, Zip _____
 Loan Officer _____
 Name of Potential Borrower _____
 Address of Property to be purchased _____
 Current phone number of Borrower _____ Day _____ Evening _____
 Annual household income(gross) \$ _____ Size of Family _____
 Estimated Funds needed \$ _____
 Downpayment \$ _____
 Closing Costs \$ _____
 Permanent Mortgage Commitment Received _____ yes _____ no _____
 Estimated Closing Date _____
 Name of Closing Agent (Title Company) _____

**Instruction: Forward this form along with Items 1-8 listed below to
 Cape Coral Housing Development Corporation
 1430 SE 16th Place, Unit B
 Cape Coral, Florida 33990**

******Attention Loan Agent**** funds are limited and will be available on a first come first serve basis. Please call to inquire availability of funds at 573-1222. Cape Coral Housing Development Corporation.**

1. Application for Mortgage Loan
2. Preliminary good faith estimate of cash to close
3. Mortgage commitment letter
4. Fully executed real estate purchase contract
5. Current Employment Verification, three years prior tax returns with all schedules attached
6. Statement verifying cash assets
7. Copy of Appraisal Report
8. Cape Coral Housing Development Corporation General Release Form
9. Proof of attendance First Home Buyer Workshop

Signature of Loan Agent

CAPE CORAL HOUSING DEVELOPMENT CORPORATION
Direct Homeownership Assistance Fact Sheet
And
Lender Referral Forms

The Cape Coral Housing Development Corporation is offering a second mortgage program, which will provide assistance to enable eligible families in Cape Coral to become homeowners. All assistance provided will be secured by a second mortgage on the property being purchased and can be used for part of the down payment or closing costs. Funds will be reserved on a first-come, first serve basis to eligible applicants who received firm mortgage commitments from local lenders.

In order to receive this referral, first-time homebuyers (defined as not having owned a home in the past three years) will be a priority; agree to occupy the property as their principal residence; have executed a purchase contract for a single family (condos included) home in Cape Coral (properties outside the city limits of Cape Coral are not eligible); not have sufficient cash available to pay all of the necessary down-payment or closing costs for a 95-97% mortgage loan; and, have gross total household income which does not exceed the limits set fourth below.

CITY OF CAPE CORAL
STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM
2003 INCOME LIMITS
January 31, 2003
Household Income Limits in Dollars

Income Category	1 Person	2 Person	3 Persons	4 Persons	5 Persons	6 Persons
Very Low Income	\$18,250.00	\$20,850.00	\$23,450.00	\$26,050.00	\$28,150.00	\$30,300.00
Low Income	\$29,200.00	\$33,350.00	\$37,500.00	\$41,700.00	\$45,000.00	\$48,350.00
Moderate Income	\$43,800.00	\$50,040.00	\$56,280.00	\$62,520.00	\$67,560.00	\$72,480.00

The housing must be affordable, meaning that monthly mortgage payments including taxes, insurance, do not exceed 33 percent of gross monthly income which represents the percentage of the median adjusted gross annual income for the households qualifying under the definitions of very low-income, low-income, or moderate-income persons.

Maximum housing cost must not exceed \$ 150,000.00 for new construction and existing housing cost must not exceed \$ 140,000.