

HARDEE COUNTY
THE OFFICE OF COMMUNITY DEVELOPMENT
412 WEST ORANGE STREET, ROOM 201
Wauchula, FL 33873
(863) 773-6349 Voice * (863) 773-5801 Fax**

SHIP HOME OWNERSHIP FINANCIAL ASSISTANCE APPLICATION
FOR THE PURCHASE OF A SINGLE FAMILY HOUSE
(FLORIDA STATUTES PROHIBITS THE PURCHASE OF MOBILE HOMES)

Assistance is provided to those applicants that meet the income and asset eligibility requirement. Requirements for assistance as defined by the Hardee County SHIP Housing Assistance Plan in force at time of application will apply to all applicants. Assistance is provided first come, first service basis, by income category.

The application must be signed by the applicant and if applicable, the co-applicant. **Should the applicant or co-applicant currently own property, a copy of any real estate tax statement for the property must be provided at the time the application is returned.** In the event the owners of the property are separated or divorced, the individual submitting the application must provide a copy of the divorce decree indicating the award of ownership of the house to his/her spouse. The presiding judge must have signed the decree.

Items to remember when completing the application:

- All ASSETS must be listed in the space provided on the application. Assets include checking accounts, savings accounts, other property (including outside of Hardee County), rental income, interest income, dividends, certificates of deposit, US Savings Bonds, stocks, etc.
- All information submitted with application will be verified for accuracy. All information requested on the application must be completed as it applies to the individual(s) applying for the SHIP Home Ownership Financial Assistance Program. Any omission of information requested on the application can cause the applicant to be disqualified.
- There is no charge for application or copies of required documents.
- Review the attached checklist for further application information.

CONSTRUCTING A HOME

Should you be requesting assistance because a mobile home or a house owned by you would require more than \$25,000 to repair, bring a copy of the most recent Real Estate Tax Statement for the property owned by you. If once or more members of the household own other property, the Real Estate Tax Statement for the additional property must also be provided (no matter what state the property is in).

A copy of the Deed or other legal proof of ownership of the above noted property. In the event one of the "owners" listed on the Real Estate Tax Statement is deceased, a copy of the death certificate must be presented with the application.

Applications that have not been completed and/or have not been signed by the applicant(s) will not be accepted for consideration. The completed application (signed by all applicants) and requested documents need to be returned prior to 4:00 p.m. daily to the Hardee County Office of Community Development. Should this be a problem, please contact an office staff member to schedule other arrangements.

HOME OWNERSHIP ASSISTANCE (OWNER OCCUPIED, SINGLE FAMILY, DETACHED)

The Home Ownership Assistance Strategy is a program to help very low to moderate income families become homeowners. Funds allocated to this strategy will be used to provide down payment and/or closing cost assistance to qualified applicants.

Income eligibility will be determined by using the Income Limits Guideline Adjusted to Family Size Charts as issued by the Florida Housing Finance Corporation on an annual basis. The Income Guideline Chart in force at the time of the client's application will be used to determine eligibility.

Program Outline: The following lists the general terms of the Home Ownership Assistance Program:

- **Eligible Housing:** Single family detached units: new construction; preexisting new unit and existing units-up to a maximum contracted sales price of \$85,000.
- **Applicant Financial Commitment:** A minimum of \$500 out of pocket money for down payment.
- **Deferred Payment Loan:** A maximum of \$7,500 set aside for Down Payment and/or Closing Cost Assistance for the Very Low category, \$5,000 assistance for the Low category, and \$2,500 for the Moderate Income category. Of these funds, \$2,500 maximum is to be applied toward the closing cost. Any excess funds after payment of the closing cost will be applied at the time of close as principal reduction.
- **Home Ownership Counseling:** Homeowners receiving assistance from this Program must attend a one-on-one Home Ownership Financial Counseling session with a State certified counselor provided by the County. The counseling is provided at no cost to eligible SHIP applicants. Emphasis will be placed the following areas:

HOME BUYING: The purpose of this segment is to make each homeowner more knowledgeable of the issues related to owning housing unit. It will be used to identify affordable housing opportunities, explain housing terminology used by financial institution and Realtors, to identify and clarify the role of home buying and financing professionals, provide information related to consumer protection issues and to identify financial alternatives.

HOME MAINTENANCE: The purpose of this segment is to identify the basic types of home maintenance and repairs that can be completed by the homeowners, to educate the homeowner on basic hygiene and home sanitation, to provide information on inexpensive methods of pest control. It will also be used to provide information and guidelines for efficient and economical use of energy (electric/gas).

FINANCIAL COUNSELING: The purpose of this segment will be directed at educating the homeowner in the ho-top's of debt control and reduction, budgeting as well as credit terminology and credit issues such as establishing credit and "cleaning-up" credit, if necessary.

Monthly mortgage payments (principal and interest), plus taxes and insurance, annualized, cannot exceed 30 percent of that amount which represents the combined projected gross

annual household income. Housing for which a household devotes more than 30 percent of its income shall be reviewed on a case by case exception, if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark and notifies the Office of Community Development in writing of their finding.

The recipient of Home Ownership Assistance is required to sign an interest free, five (5) year Deferred Payment Loan Agreement (DPL) is a five (5) year conditional grant, and is provided to very low to moderate income homeowners who are unable to obtain conventional financing for this activity. The DPL involves a security instrument (lien) requiring repayment of the loan only if the homeowner sells or transfers ownership of the home, or ceases to use it as his/her primary residence within five years from the date of the DPL.

If the recipient is found in default of the conditions of the DPL during the five (5) years, the recipient shall pay back to the County's SHIP Program, a prorated amount of the loan based on the remaining years of the DPL.

If a client who received a Home Ownership Assistance Loan should default on their primary mortgage, the lender involved would proceed with foreclosure. The County would retain a second position but would not contest the foreclosure. The County would however, refer the client to a "Foreclosure Counseling and Assistance Program" if available within the area. The lender would be notified of the referral. The lender involved would retain the right to dispose of the property in the course of normal business practice.

Applicant Eligibility: The applicant need not be a resident of Hardee County at the time of application. IF selected to receive SHIP funds, the applicant must agree to purchase a single family, detached house within Hardee County and the house must become the applicant's legal and principal place of residence.

Any person or family who is a first time home buyer, has not owned a home or mobile home in the last three years, is a displaced homemaker or divorced or owned a house in another county or State within three (3) years prior to application but sold the house to relocate to Hardee County as the applicants primary place of residence may be considered as eligible for Home Ownership Assistance.

Applicant Qualification: To qualify, an applicant should attend a homebuyer's class (free of charge when available) and complete the Hardee County application and return it to Hardee in the application package. In addition, a one on one Financial Counseling appointment will be required before allocation of funds.

An appointment will be scheduled with the Director or his/her designee to finalize the application review process. IF the interview determines that he applicant meets the eligibility requirements based on the information provided by the applicant, the following will occur:

1. A letter will be issued to the applicant indicating initial qualification based on information provided and to remind the applicant of the next step in the process.
2. OCD will begin the process of obtaining "third party" verification of the household's income and assets as provide by the applicant.

If the "third party" verification finds that he applicant did not provide all of the information requested, or the information provided by the applicant was substantially incorrect, omitted or

falsified, the Director of his/her designee will issue a letter to the applicant withdrawing the initial approval.

3. OCD will issue a letter to the applicant after receiving notification from the financial counselor that the applicant has completed the Home Ownership Financial Counseling. The letter will indicate that he/she meets the requirements of the Program and is eligible for down payment/closing cost assistance.

If all available funds have been set aside to qualified applicants, the letter will state that the current years funds for this Home Ownership Assistance have been allocated and that OCD will keep his/her application open and on file for a period of twelve (12) months in the event additional funds become available.

If there are funds available, the letter will indicate the amount of funds that have been set aside for a period of 90 days from the date of the letter. The applicant must locate, complete a Purchase Agreement and successfully close on an approved, single family, detached housing unit within the 90 day time frame.

Applicant Responsibilities: The search for a house must be a priority for the applicant. If a purchase agreement has not been executed and a copy provided to OCD by the end of 45 days (from the date of the letter), the applicant will be notified that the set aside has been released and made available to the next qualified applicant.

If a completed Purchase Agreement has been received by OCD, but a mortgage commitment from a State Certified Lender has not been received by the end of 60 days (from the date of the letter) the applicant will be notified that the set aside has been released and made available to the next qualified applicant.

If a Closing has not been scheduled and/or completed by 5:00 P.M. of the 90th day, the applicant will be notified that the set aside has been released and made available to the next qualified applicant. If the 90th day falls on a holiday, Saturday or Sunday, the funds will be released at 5:00 P.M. on the next business day.

Funds for down payment/closing cost assistance are limited and will be issued based on a first qualified, first served by income category. When the funds are depleted for the current year, letters will be sent to the remaining applicants to notify them that program funds have been depleted for the current year and that they may re-apply for assistance when funds become available for the new year and the availability is publicly noticed.

When the applicant has located a house within Hardee County and has received a fully executed Purchase Agreement, the applicant must provide a legible copy of the Purchase Agreement to OCD. The Agreement must indicate the gross purchase price of the single family house, the amount of binder or earnest money provided to the Realtor/Seller, the physical address of the housing unit, the legal description of the property (or a copy of the property record card) and the "not to exceed" closing date.

OCD or the Building Inspector will contact the Realtor or owner in the absence of a Realtor to schedule an appointment to survey the property. The survey will be conducted to insure that the condition of the house, at a minimum, meets Federal Housing Quality Standards.

If major deficiencies or conditions are noted that may impact the health and safety of the purchaser or members of the purchaser's family, the house will be failed. The deficiencies noted will be brought to the attention of the purchaser and Realtor. The conditions noted must be remedied prior to the actual closing or there must be a legal and binding financial commitment made, in writing, that guarantees the conditions noted will be remedied within 60 days from point of purchase (closing). OCD can withdraw the commitment of SHIP financial support for the purchase if provisions have not been made to repair the deficiencies prior to the closing.

It is the responsibility of the applicant to contact a State certified lending institution to begin the financing process. The applicant is responsible for any non-refundable application fee and appraisal fee that may be required by the participating lending institution. If financing is approved by the lender, the non-refundable fee application fee and appraisal fee may be included as part of the closing cost that can be paid by SHIP. To be considered valid as closing costs, the fees must be listed on the lender's "good faith estimate of closing" as pre-paid buyer costs and on the closing agent's pre-closing HUD settlement statement as pre-paid buyer costs. A copy of the appraisal shall be provided to OCD.

Upon successful completion of their financial process, the lending institution must send a detailed "good faith estimated settlement sheet" to OCD as soon as available. The "good faith estimated settlement sheet" must show the amount of the mortgage for the house being purchased, the interest rate of the mortgage, the amount of down payment required, the monthly principle and interest payment and the monthly payment for taxes and insurance. It also must note the total amount of down payment (minus the \$500 required from the buyer) and the total amount of closing cost (up to a combined maximum of \$7,500 of which \$2,500 is the closing cost allocation).

Upon receipt and approval of the transaction, OCD will cause a check for the allocated amount to be issued to the closing agent (Title/Abstract Company). The money is being provided in the form of a second mortgage (Deferred Payment Loan Agreement). The Deferred Payment Loan Agreement (DPL) will be sent to the closing agent for the signature of the homeowner(s) and notarized by the closing agent at the time of closing.

When the closing agent has finalized the detail closing costs (buyer, seller and lender) the closing agent will provide the OCD with a copy of the final HUD Settlement Sheet. The DPL will be returned to OCD for required signatures and returned to the closing agent for recording by the Clerk's office.

Home Ownership Assistance funds may also be used as match for the State administered Federal HOME Program or any similar program allowed by the SHIP Rules and Florida Statutes. Funds for this strategy that are not encumbered within 90 days after the end of the award fiscal year will be transferred for use in the Rehabilitation Strategy.

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>

Appendix A - Income Limits Schedule

City (County)	Percentage Category	Florida Housing Finance Corporation Multifamily Rental Programs and SHIP (all) 2003 Income Limits Adjusted To Household Size								Multifamily Rental Bond Income Limits NOT by Household Size		
		Number of Persons in Household								Lower		Eligible
		1	2	3	4	5	6	7	8	65%	80%	150%
Gulf County	30%	8,700	9,950	11,200	12,400	13,400	14,400	15,400	16,400	26,910	33,100	75,300
	35%	10,150	11,585	13,055	14,490	15,645	16,800	17,955	19,110			
	40%	11,600	13,240	14,920	16,560	17,880	19,200	20,520	21,840			
	45%	13,050	14,895	16,785	18,630	20,115	21,600	23,085	24,570			
	50%	14,500	16,550	18,650	20,700	22,350	24,000	25,650	27,300			
	55%	15,950	18,205	20,515	22,770	24,585	26,400	28,215	30,030			
	60%	17,400	19,860	22,380	24,840	26,820	28,800	30,780	32,760			
Median: 39,600	80%	23,200	26,500	29,800	33,100	35,750	38,400	41,050	43,700			
	120%	34,800	39,720	44,760	49,680	53,640	57,600	61,560	65,520	26,910	33,100	75,300
Hamilton County	30%	8,700	9,950	11,200	12,400	13,400	14,400	15,400	16,400			
	35%	10,150	11,585	13,055	14,490	15,645	16,800	17,955	19,110			
	40%	11,600	13,240	14,920	16,560	17,880	19,200	20,520	21,840			
	45%	13,050	14,895	16,785	18,630	20,115	21,600	23,085	24,570			
	50%	14,500	16,550	18,650	20,700	22,350	24,000	25,650	27,300			
	55%	15,950	18,205	20,515	22,770	24,585	26,400	28,215	30,030			
	60%	17,400	19,860	22,380	24,840	26,820	28,800	30,780	32,760			
Median: 32,800	80%	23,200	26,500	29,800	33,100	35,750	38,400	41,050	43,700			
	120%	34,800	39,720	44,760	49,680	53,640	57,600	61,560	65,520	26,910	33,100	75,300
Hardee County	30%	9,100	10,400	11,700	13,000	14,050	15,050	16,100	17,150	28,145	34,650	75,300
	35%	10,605	12,110	13,650	15,155	16,380	17,570	18,795	20,020			
	40%	12,120	13,840	15,600	17,320	18,720	20,080	21,480	22,880			
	45%	13,635	15,570	17,550	19,485	21,060	22,590	24,155	25,740			
	50%	15,150	17,300	19,500	21,650	23,400	25,100	26,850	28,600			
	55%	16,665	19,030	21,450	23,815	25,740	27,610	29,535	31,460			
	60%	18,180	20,760	23,400	25,980	28,080	30,120	32,220	34,320			
Median: 36,400	80%	24,250	27,700	31,200	34,650	37,400	40,200	42,950	45,700			
	120%	36,360	41,520	46,800	51,960	56,160	60,240	64,440	68,640	28,145	34,650	75,300