


BOARD OF COUNTY COMMISSIONERS

 Writer's Direct Dial Number: 239-652-7938

 Bob Janes
District One

 Douglas R. St. Cerny
District Two

December 2, 2003

 Ray Judah
District Three

 Andrew W. Coy
District Four

Dear Lender/Realtor:

 John E. Albion
District Five

 Donald D. Stillwell
County Manager

 James G. Yaeger
County Attorney

 Diana M. Parker
County Hearing Examiner

The Lee County Department of Human Services will begin accepting applications on December 5, 2003 for the HOME Down Payment Assistance Program. The amount of assistance is \$10,000.00. The funds can be used toward down payment and/or closing costs. Any minimal remaining funds will be applied as a principal reduction to the first mortgage at the closing. All qualified applicants will receive a \$10,000.00, ten (10) year self-amortizing second mortgage.

HUD's income limits for Lee County's HOME Down Payment Assistance Program were last updated by HUD as of February 20, 2003.

The homebuyer will be required to take a face to face **homebuyer education workshop/class** from a HUD approved agency and provide Lee County with a copy of the completion certificate. Lee County Housing Development Corporation offers a class that is free to homebuyers that are applying for Lee County's HOME Down Payment Assistance Program. Their phone number is 239-656-2721, ext. 101. Your client can also contact Cape Coral Housing Development Corporation at 239-573-1222. Their class is also free. On-line courses are not acceptable.

Also, you will need to have **Lee County added as additional mortgagee** on homeowner's (and flood, if applicable) insurance policies as follows:

Lee County, a political subdivision of the State of Florida
 c/o Dept. of Human Services
 P.O. Box 398
 Fort Myers, FL 33902
 Attn : Debbie Curran

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>

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Please find attached updated forms that will explain the program further:

- 1) Updated Direct Homeownership Information Sheet
- 2) Exhibit "A" - Fact Sheet and Lender Referral
- 3) Exhibit "B" - Income Limits
- 4) Exhibit "C" - Purchaser's Acknowledgement of Monitoring

The following is a list of **HUD certified lead-based paint inspectors** who are currently performing lead-based paint inspections in our area, on homes built prior to 1978:

- 1) Associated Consulting Professionals
1759 Bayhill Dr., Oldsmar, FL 34677
(727) 773-9200; Fax (727) 787-2898
Contact: Tony Penna
- 2) American Management Resources Corp.
5230 Clayton Ct., Ft. Myers, FL 33907
(239) 936-8266
Contact: Jack Snider III or Perry Brake

You can contact one of these firms or any other firm that employs a staff member who is EPA/HUD certified to perform lead-based paint inspections or is a certified risk assessor. This only applies to homes built prior to 1978. This inspection should not be ordered until you have all approvals in place because the buyer must pay for the inspection up front.

We will have approximately \$400,000 in funds available. **It is your responsibility to check the availability of funds before submitting application packages.** There is still a \$50 non-refundable application fee (cashier's check or money order) that must accompany the application.

Unfortunately, due to upcoming holidays, we cannot guarantee closings by December 31, 2003.

Should you have any questions, please contact me at 239-652-7938 (fax 239-652-7955).

Sincerely,



Debbie Curran, Housing Finance Counselor
Lee County Department of Human Services

LEE COUNTY DEPARTMENT OF HUMAN SERVICES
HOME DOWN PAYMENT ASSISTANCE PROGRAM

1. For those who qualify, the amount of assistance will be \$10,000.00 to be used toward down payment and/or closing costs. If all funds are not utilized, the minimal remaining amount will be applied as a principal reduction to homebuyer's first mortgage at the time of closing.

Some ineligible closing costs are:

- payment of debts such as collections
- home inspection fees.
- home repairs.

We can cover most other closing costs and prepaids including prepaid interest, discount points, brokers fees, homeowner's and flood insurance premiums, etc.

2. Homebuyer must be able to obtain a commitment for a **new** first mortgage (not an assumption) from a lending institution.
3. Must be purchasing a single family home in unincorporated Lee County (condos/PUD's included; but no mobile or manufactured homes and no duplexes or homes with attached or detached *mother-in-law* units).
4. The home must be existing (must have received its certificate of occupancy at least one year prior to making application for assistance). No new construction.
5. The house being purchased must be currently occupied by the owner, vacant, or occupied by the homebuyer. At the time the buyer and seller enter into a contract, the house cannot be occupied by tenants not purchasing the property.
6. Homebuyer must attend a face to face **homebuyer education workshop/class** from a HUD approved agency and provide a certificate of completion to Lee County. Lee County Housing Development Corporation offers a free class to homebuyers receiving assistance through Lee County's HOME Down Payment Assistance Program. Call 239-656-2721, ext. 101 to schedule.
7. Homebuyer's household must meet HUD's guidelines for low income households (80% of median):

HUD's Guidelines as of February 20, 2003			
Family Size	Maximum Household Income	Family Size	Maximum Household Income
1	\$29,200	5	\$45,000
2	\$33,350	6	\$48,350
3	\$37,500	7	\$51,700
4	\$41,700	8	\$55,000

Total household income cannot exceed these limits. Single family purchase price/maximum appraised value limit is \$144,366.



8. Home buyer does not need to be a first time home buyer, but cannot own any other homes at the time of application.
9. Homebuyer must agree to occupy the property as their principal residence and maintain a homestead exemption during the ten (10) year second mortgage term. Non-occupying co-borrowers will be considered on a case-by-case basis.
10. Mortgage payment must be affordable and debt-to-income ratios will be reviewed. We only use income of **occupying** household members to calculate debt-to-income ratios.
11. All assets will be considered when calculating annual income (ie: checking/savings accounts, IRA's, CD's, cash value life insurance, etc.)
12. The property must pass Lee County's minimum housing quality standards (HQS) inspection. The Dept. of Human Services' inspector will perform the HQS inspection. A \$50 fee for all home re-inspections beyond the first re-inspection will apply and be paid by seller (money order) to Lee County Dept. of Human Services (payable to Lee County BoCC) prior to the re-inspection proceeding. **House must not exceed HUD's guidelines for the number of persons allowed per bedroom.**

Annual monitoring of properties will take place during the second mortgage term including random site checks to ensure that properties are still owner-occupied.

13. **If house being purchased was built PRIOR TO 1978**, Lender to provide Lee County with lead-based paint inspection conducted by an EPA/HUD certified inspector or certified lead-based paint risk assessor indicating a lead-based paint hazard free home. Buyer will have to pay for this inspection.
14. We place a ten-year (10) second mortgage on the property being purchased. No monthly payments will be due. The second mortgage is self-amortizing and will reduce at a rate of 10% per year. As long as property is occupied as primary residence and homesteaded for the ten-year term, a satisfaction of mortgage will be given and the second mortgage will not have to be repaid. If, during the ten-year term, the property is sold, transferred, leased, **or first mortgage is refinanced**, or is not owner-occupied and homesteaded, then the prorated balance of the second mortgage will be due and payable. Future requests for subordination will be considered on a case by case basis.
15. The lender applies for the assistance from Lee County. The lender completes a lender referral form and attaches several required documents and forwards the package to Lee County for review. Along with the package, the lender needs to include a \$50 *cashier's check or money order* from the purchaser, as an application fee (non-refundable; payable to Lee County BoCC).
16. Please contact Debbie Curran, *Housing Finance Counselor*, Lee County Department of Human Services at (239) 652-7938 or 652-7940 TDD if you have any questions or need further information. Our mailing address is:
Lee County Department of Human Services
Attention Debbie Curran, Housing Finance Counselor
P.O. Box 398
Fort Myers, FL 33902

Our office is located at 83 Pondella Road, Suite #1, N. Fort Myers, FL 33903.

PLEASE CALL FOR FUNDING AVAILABILITY AS FUNDS ARE LIMITED FOR THIS PROGRAM.

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EXHIBIT "A"

Lee County's HOME Down Payment Assistance Program Fact Sheet And Lender Referral Form

FACT SHEET

Lee County is offering a second mortgage program which will provide assistance to enable eligible families in unincorporated Lee County to become homebuyers. All assistance provided will be secured by a **ten (10) year self-amortizing second mortgage** on the property being purchased and can be used for down payment AND closing costs. If approved, amount of assistance will be \$10,000.00. If all funds are not utilized for down payment and/or closing costs, then the minimal remaining amount will be applied as a principal reduction on your first mortgage at the time of closing. **If, during the ten year term, the property is sold, transferred, leased, or first mortgage is refinanced, or is not owner-occupied and homesteaded, then the prorated balance of the second mortgage will be due and payable in full.** Funds will be reserved on a first come, first served basis to eligible applicants who receive firm mortgage commitments from local lenders. Priority will be given to current Lee County residents. Lender must supply to Lee County a copy of a certified lead based paint inspection on all homes built prior to 1978.

In order to receive this referral, an applicant must be a first-time homebuyer (someone who does not presently own a home); **agree to occupy the property as their principal homesteaded residence**; have executed a purchase contract for purchase of an **existing** single family home (condos and PUD's included) in an unincorporated area of Lee County; and have gross annual household income which does not exceed the limits set forth below (income limits are effective 2/20/03):

1 person - \$29,200	5 person - \$45,000
2 person - \$33,350	6 person - \$48,350
3 person - \$37,500	7 person - \$51,700
4 person - \$41,700	8 person - \$55,000

Applicant Acknowledgement of Terms and General Release Authorization

I, _____ (Borrower) acknowledge that this referral does not guarantee that I am approved for assistance in conjunction with Lee County's HOME Down Payment 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 Lee County Department of Human Services and/or designated agents of such. **I understand that the \$50.00 application fee I am paying the Lee County Board of County Commissioners (Lee County BoCC) is non-refundable.** Below is a list of **all household members** who will occupy the house being purchased (use additional sheet if needed):

Name	D/O/B	Relation	Social Security #	Income

Borrower Date

Borrower Date

LENDER REFERRAL FORM

The applicant identified below appears to meet the basic eligibility requirements of Lee County's HOME Down Payment Assistance Program based on preliminary information received during their mortgage application.

Name and Address of Bank/Mortgage Company _____	
_____	Phone No. _____ Fax No. _____
Loan Officer _____	Rate & Points _____ Lock _____ Float _____
Address of Property to be Purchased _____	
Potential Borrower's Name _____	
Potential Borrower's Phone No. _____	Day Time _____ Evening _____
Seller's Mailing Address: _____	
Annual Household Income \$ _____	Household Size _____ Ratios ____/____
Amount of Down Payment \$ _____	Est. Amount of Closing Costs \$ _____
Final Mtg. Commitment Rec'd? _____	Estimate Closing Date _____
Listing Agent's Name & Phone No. (for inspection) _____	
Selling Agent's Name & Phone No. _____	
Name of Closing Agency (include phone no., fax no., and contact person) _____	

**PROCESSING TIME IS APPROX.
20 WORKING DAYS!**

Signature of Loan Agent

Date

Instructions: Forward this form with the original FACT SHEET and PURCHASER'S ACKNOWLEDGMENT OF MONITORING PERFORMANCE, and copies of the following documents to: Lee County Department of Human Services, 83 Pondella Road, Suite #1, North Fort Myers, FL 33903, Attn: Debbie Curran; (239) 652-7938 - FAX (239) 652-7955. PLEASE DO NOT FAX ENTIRE PRELIMINARY PACKAGE:

- | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1) Copy <i>signed</i> 1003 application* | 10) Copy certified lead based paint insp. (pre-1978) |
| 2) Copy <i>signed</i> good faith estimate* | 11) Copies verifications of income (ie: VOE's, social security, child support, etc.)* |
| 3) Copy mortgage commitment letter | 12) Copies verifications of deposit verifying cash assets such as deposits, IRAs, CDs, etc.* |
| 4) Copy <i>signed</i> purchase contract with copy lead paint addendum (pre-1978)* | 13) Copy most recent IRS tax return (1 year), unless self-employed (2 years)* |
| 5) Copy of appraisal | 14) \$50 non-refundable application fee payable to Lee County BoCC (money order or cashier's check only)* |
| 6) Evidence earnest money deposit check cleared | 15) Other, if appl.: Evidence permanent resident alien status; letter stating no checking/savings and why, etc. |
| 7) Copy home buyer education certificate | |
| 8) Copies social security cards for all household members* | |
| 9) Copies photo ID for all adult household members* | |

***THESE ITEMS MUST BE SUBMITTED WITH INITIAL APPLICATION PACKAGE.**

EXHIBIT "B"**Maximum Income Levels as of 2/20/03 for HOME Down Payment Assistance Program**

<u>Family Size</u>	<u>Maximum Household Income</u>
1	\$29,200.00
2	33,350.00
3	37,500.00
4	41,700.00
5	45,000.00
6	48,350.00
7	51,700.00
8	55,000.00

IF YOUR CUSTOMER IS OVER THESE INCOME LIMITS, PLEASE CALL LEE COUNTY DEPARTMENT OF HUMAN SERVICES TO SEE IF LIMITS HAVE BEEN RAISED BY HUD.

HOME Program
Single Family Purchase Price/Maximum Appraised Value Limits
Down Payment Assistance Program

Lee County: 1-Family Unit: \$144,366

**(Exhibit "C")
PURCHASER'S ACKNOWLEDGMENT OF MONITORING PERFORMANCE**

_____, purchaser(s) of
the property located at _____,
is hereby applying for HOME Down Payment Assistance from Lee County Department of Human
Services to assist in paying down payment and/or closing costs.

Purchaser(s) acknowledge by signing this statement that they are fully aware of and intend to
abide by the following terms and conditions:

- 1) Intend to occupy this property as my primary homesteaded residence. Lee County will perform an annual monitoring to ensure that purchaser is still occupying the subject property. Purchaser agrees to promptly complete and return the survey letters that will be mailed each year during the term of the Lee County second mortgage (ten years from closing).
- 2) Purchaser(s) understands that this document in no way guarantees approval under Lee County's HOME Down Payment Assistance Program.

Witness

Purchaser

Witness

Purchaser

Date