

PROGRAM SUMMARY SHEET

Homeowner Opportunity Program – HOP Homebuyers Downpayment Assistance Program for Communities in Seward County

(A Program of the Seward County Housing Corporation)

2015

BACKGROUND: With assistance from the City of Seward, the Seward County Housing Corporation (SCHC) has received funds from the Nebraska Affordable Housing Program to provide downpayment subsidies to Homebuyers for the purchase of **existing homes** within communities in Seward County. This Program Summary Sheet will outline the requirements of the Program. For questions or further information, please contact: Judi Meyer, Program Administrator, 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. 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/after rehab value not to exceed \$139,000.00 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. Liquid assets in excess of \$5,000 may be required to be applied to closing and downpayment for the project.

(3) **Other Property Requirements:** The home to be purchased cannot be located in a 100-year Flood Zone or in a designated wetland. The home to be purchased must be located within an area zoned for “residential” within the communities in Seward County. 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 Household Income cannot exceed the following, based on the Seward 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>
\$44,000	\$50,250	\$56,550	\$62,800	\$67,850	\$72,850	\$77,900	\$82,900

B. **ANTICIPATED INCOME:** Eligibility determinations are **also based on anticipated gross annual income**. Copies of 2-months current (and consecutive) wage statements, Federal income tax forms, 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 “conditional deferred loan” 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.

HOP Summary- Seward County: Continued

- (6) **Minor Rehabilitation:** SCHC 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 (NDED) Minimum Standards for Rehabilitation and/or local building codes. The maximum amount of these grants will be \$9,000 per home. Additional rehabilitation funds may also be secured through the USDA-RD Section 502 or 504 programs. SCHC 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 \$9,000 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. A “declining balance, conditional grant” will accrue no interest and require no payments with a term of 5-years. Payment of any pro-rated amount would be due only upon default under conditions of sale, rental, transfer of title, or non-occupancy.

OTHER PROGRAM CONDITIONS:

HOMEOWNERSHIP EDUCATION: The applicant will be required to complete **a HUD-approved Homebuyers Education Class**. Homebuyers Education must be completed prior to any final obligation of funding by the SCHC.

SECURITY: The buyer will be required to execute a Promissory Note in the amount of the down payment subsidy, which will be a “soft” second mortgage with no direct repayment. The SCHC 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 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. A Promissory Note for the Rehabilitation construction costs will also be required with a 5-year term. Security Documents will be executed at loan closing.

APPLICANT ELIGIBILITY QUESTIONNAIRE: In order to access this program, the following steps should be taken:

- (1) Complete the **HOP Application** attached,
- (2) Provide a copy of the applicant's latest Federal Income Tax Return for all household members that are required to file
- (3) Provide a copy of the applicant's last two months current wage statement(s), for all household members employed
- (4) Provide copies of 2 months most recent bank statements for all account
- (5) Provide copies of any other documentation of income such as social security benefit letters, unemployment, child support
- (6) Return the executed Application and requested documents to: **Judi Meyer, Program Administrator, SENDD, 2631 “O” Street, Lincoln NE 68510, or fax to (402) 475-2794, jmeyer@sendd.org.**

INFORMATION: If you have further questions, please contact Judi Meyer at (402) 475-2560. The Seward County Housing 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: December 2015)