

Anoka County Down Payment Assistance Application

Dear Program Participant:

Thank you for your interest in the Down Payment Assistance (DPA) program offered by the Anoka County Community Development Department and administered by the Anoka County Community Action Program, Inc. (ACCAP).

Attached is the application necessary for your participation in the Down Payment Assistance program. In order for us to approve your request for assistance, you need to complete this application and submit all necessary documentation. Any missing or incomplete information will delay the processing of this application. Completed applications will be awarded funds on a first come first serve basis. This program is subject to the availability of funds.

Please read all sections carefully. If you have additional questions, contact:
Teresa McCauley, Anoka County Community Action Program (ACCAP)
teresa.mccauley@accap.org
763-717-7845

PROGRAM DESCRIPTION

Down Payment Assistance

Purpose:	The program is designed to help qualified first time homebuyers purchase homes more affordably by providing \$1,000 to \$10,000 in down payment assistance.																		
Submitting Applications:	Application may be mailed or delivered between the hours of 8 a.m. to 4:30 p.m. to: Anoka County Community Action Program Attn: Teresa McCauley Down Payment Assistance Program 1201 -89th Ave. NE, STE 345, Blaine, MN 55434 Faxed or email application submissions will NOT be accepted.																		
Eligible Applicants, Income & Assets:	Applicants must be citizens or legal permanent residents. Applicants must be first time home-buyers (not owned a home within the past three years) per HUDs definition. Households may earn no more than 80% of the Anoka County / MPLS/STP Metropolitan Area Family Income (adjusted by family size), as established by the U.S. Department of HUD. Household assets may not exceed \$5,000 after closing the Down Payment Assistance Loan (does not include 401K and other tax sheltered retirement accounts). Income Limits by Household Size, as of 4/09: <table border="1" data-bbox="418 806 1442 869"> <thead> <tr> <th>Size</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> </tr> </thead> <tbody> <tr> <td>80%</td> <td>\$44,800</td> <td>\$51,200</td> <td>\$57,600</td> <td>\$64,000</td> <td>\$69,100</td> <td>\$74,250</td> <td>\$79,350</td> <td>\$84,500</td> </tr> </tbody> </table>	Size	1	2	3	4	5	6	7	8	80%	\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500
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80%	\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500											
Eligible Properties:	Housing must be located in Anoka County. Housing must be the participant’s primary residence. Eligible properties are single-family housing as defined as one to four family residences, cooperative units, condominiums, townhouses, and some manufactured housing if it meets criteria outlined in the Anoka County HRA DPA Program Policy. Both existing homes and new construction are eligible. Down Payment Assistance will not be provided for the purchase of a property that is primarily occupied by tenants.																		
First Lien Mortgage Financing:	Purchase mortgage must be fully amortized, fixed rate loan of up to 30 years with an interest rate that does not exceed the prevailing market rates for conforming loans. The borrower(s) must be able to qualify for a VA guaranteed, FHA insured, or Fannie Mae approved conventional mortgage as determined by a participating private lender.																		
Ernest Money:	All applicants must provide a minimum of \$1,000 Earnest Money contribution which must be noted on the HUD Settlement Statement at time of sale.																		
MATCH:	The HOME regulations require that a non-federal, permanently committed source(s) provide a 25 percent match for the HOME funds. In order to meet the match requirement, Anoka County reviews and rates a project’s ability to leverage from non-federal sources, an amount equal to or greater than 25 percent of the HOME funding request. Anoka County uses HUD’s CPD Notice 97-03 “HOME Program Match Guidance” to determine when to count and how to calculate the value of each matching contribution. Match funds can come from: non-federal cash contributions; proceeds from affordable housing bonds; donated construction materials, foregone taxes, fees and charges; donated or voluntary labor and professional services; sweat equity, and supportive services. Eligible forms of match must have proof documentation that shows where funds are from and the total amount invested in the specific unit purchased with assistance. Most common forms of MATCH are: First Time Homebuyer assistance Loans issued by individual banks, CASA Loan, HAF Loan, First Time Home-buyer Assistance Loan, etc.																		

Sales Price:	The maximum purchase price (as of 3/08) is \$276,683 for a single family home.
Inspection:	All units must meet applicable health and safety codes. All code violations or identified lead-based paint must be corrected. An ACCAP representative will complete an inspection prior to closing. This inspection is NOT to guarantee the condition of the unit but to ensure the unit meets federal program requirements. <u>All participants are encouraged to obtain a Housing Inspection by a certified inspector.</u>
Homebuyer Education and counseling:	Borrowers are required to complete a HUD Certified Homebuyer Education Course. ACCAP's Home Stretch homeownership education and workshops meet this requirement. Education and counseling must be completed prior to closing the loan. The Certificate of Completion of the class must be included in the application package.
Other:	Borrowers may NOT receive any cash back at closing.
DPA Terms and Conditions:	Down Payment Assistance funds will be provided in an amount not to exceed \$10,000. Funds will be secured against the property as a zero percent (0%) interest deferred loan for 5 years. In the sixth (6) year repayment requirements of down payment assistance funds will be forgiven. If this unit is sold, refinanced or no longer the principle place of residence within the 5 year period, the full balance of the down payment assistance funds will be due and payable.

HOME PURCHASE ASSISTANCE

STEPS TO RECEIVE ASSISTANCE

- Complete a HUD Certified Homebuyer Education Course (ACCAP's Home Stretch class)
- Complete application and submit to Anoka County Community Action Program at least three weeks prior to closing.
- You will be notified of application status within 10 to 14 business days.
- Locate a home within Anoka County
- An ACCAP representative completes an inspection prior to closing.
- A "*Voluntary Acquisition Buyer/Seller Certification of Purchase*" letter **must** be signed and dated by the Seller on or before the date of an accepted purchase agreement. Failure to do so may result in denial of assistance.
- Purchase price (as of 3/08) cannot exceed \$276,683 for a single family home.
- 25% MATCH Contribution must be documented.
- Applicant will complete a Repayment Agreement and submit all required supporting documentation required in application.

CHECKLIST FOR APPLICANTS

Found within application:

- ORIGINAL application form, completed and signed
- ORIGINAL Notice of Rights, signed
- ORIGINAL Conflict of Interest Form, signed
- ORIGINAL DPA Affidavit, signed

Forms to be attached by applicant:

- Copy of photo identification of applicant(s) (Minnesota Drivers License)
- Copy of applicant(s) social security card and/or Permanent Resident Card
- Verification of income (DO NOT SUBMIT YOUR ORIGINAL DOCUMENTS)
 - Income from wages: THREE (3) months of recent, consecutive pay stubs for every member of the household who is age 18 or older and employed.
 - Income from benefits: recent proof of amount of periodic payment received by any member of the household from Social Security, disability/death benefits, pensions, retirement funds, annuities, insurance policies and other similar types of periodic benefit payments.
 - Other income: recent proof of payments in lieu of earnings received by any member of the household, such as unemployment and disability compensation, workers compensation and severance pay, net income from operations of business, child support payments, spousal support/alimony payments, and/or regular contributions or gifts received from persons not residing in the dwelling.
 - Certification of Zero Income for every member of the household who is age 18 or older and receives no type of income from any source, benefit or periodic payment.
- Verification of Assets: SIX (6) months of recent statements from checking and savings, certificates of deposit, money market accounts, equity, retirement and pension accounts, life insurance, stocks, bonds, or Treasury Bills. Real Estate owned indicating address, value, equity percentage, and proof of indebtedness, if any. Copies of the most recent retirement, pension, IRA, or Keogh fund account statements. Copies of life insurance policies whose funds are available to household member before death (e.g., surrender value or whole life or universal life policy). Indicate which household member is the beneficiary. Proof of cash value of revocable trust available to applicant. Value of personal property held as an investment such as gems, jewelry, coin collections, antique cards, etc. Value of lump sum or one time receipts, such as inheritances, capital gains, lottery winnings, victims' restitution, insurance settlements and other amounts not intended as periodic payments. Copies of mortgages or deeds of trust. Proof of and amount of interest in Indian trust lands or other accounts.

REQUIRED DOCUMENTS TO BE SUBMITTED

The following documents are additions to the application and not directly part of the application. Documents may become available throughout the process and should be submitted to ACCAP as soon as they are complete.

- Homebuyer Education class certificate from a **HUD Approved Housing Counseling Agency**. Homebuyer education is available at the following locations:
 - ACCAP at www.accap.org or 763-783-4747 (This is a HUD Approved Housing Counseling Agency)
 - The Minnesota Homeownership Center (Must provide proof that class attended is provided by a HUD approved Housing Counseling Agency)
- ORIGINAL Inspection Report, completed and signed by ACCAP representative
- ORIGINAL Anoka County Subordination Policy, signed
- ORIGINAL Repayment Agreement must be completed and signed prior to or at closing.
- Copy of Voluntary Acquisition letter.
- Copy of Settlement Statement.
- 25% MATCH documentation.
- Lead-based Paint Disclosure and borrowers' receipt of "Protect Your Family from Lead in Your Home" pamphlet. Required on all homes built before 1978. (Anoka County) OR Not Applicable
 - Certificate of Occupancy Certificate only if for new construction housing OR Not Applicable.

Down Payment Assistance Application for Program Eligibility

Information in this application is strictly confidential and will not be released to persons outside of the program without written permission from the applicant(s). Information is requested to establish eligibility and for federal reporting requirements. If you have any questions about completing the form, please call (763) 717-7845 for assistance.

Section I: Applicant / Head of Household Information

Name: _____

Current Address: _____

Home Phone: _____ Other Phone: _____ Work Mobile

Drivers License No. _____ Date of Birth _____

U.S. Citizen Legal Permanent Resident Social Security # _____

Section II: Co-Applicant Information

Name: _____

Current Address: _____

Home Phone: _____ Other Phone: _____ Work Mobile

Drivers License No. _____ Date of Birth _____

U.S. Citizen Legal Permanent Resident Social Security # _____

Relationship to Applicant: _____

Section III: Employment and Income History

Applicant's Employer: _____ Occupation: _____

Estimated Gross Monthly Income \$ _____ # of Years with Employer: _____

Co-Applicant's Employer: _____ Occupation: _____

Estimated Gross Monthly Income \$ _____ # of Years with Employer _____

Section IV: Household Members

Total number of persons in household: _____ (# of adults _____) (# of children _____)

Section V: Property Information

Subject Property Address: _____

New Construction, housing built not previously occupied

or

Existing Construction (pre-owned) built in _____

List Price of the Property \$ _____

Year Property Built: _____

Section VI: Loan Information

(Information should be obtained from the Lender and will be verified on closing documents)

Type of loan FHA Conventional Veterans Administration

Interest Rate: _____ % FIXED RATE for _____ years

Section VII: Lender, Title Company and Realtor Information

Mortgage Company: _____

Loan Officer: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

Title Company: _____

Closing Officer: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

Realtor and Representing Company: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

Conflict of Interest Provision

The conflict of interest provision of the federal program applies to any individual, business or private entity receiving federal assistance, who has any family, business, contract or subcontract ties to; an employee, agent, consultant, officer, or elected official or appointed official of Anoka County, CDBG, HOME and designated public agencies, or subrecipients that are receiving funds for their tenure or for one year after. If there are questions in regards to your participation with this program all information needs to be disclosed and Anoka County will work with HUD to determine your eligibility. If it is later found that a conflict of interest occurred and was not reported, the loan balance will immediately become due and payable.

I/We have read and completed the Down Payment Assistance program eligibility application and understand that my/our answers to all of the previous questions and the statements I/we have made are true and correct to the best of my/our knowledge and belief. I understand that any conflict of interest that may be possible must be immediately disclosed. I/we authorize Anoka County and the US Department of Housing and Urban Development to contact any source to solicit and/or verify information necessary for an eligibility determination for the purpose of the program. I/we also agree to provide Anoka County with any information necessary to verify my/our credit worthiness. I/we understand that any discrepancy or omissions in the information I/we have provided may disqualify me/us from participation in the program. If such discrepancies or omissions are discovered after any loan is approved or granted to me/us, I/we understand that any outstanding loan balance will immediately become due and payable.

Signature of Applicant

Date

Signature of Co-Applicant

Date

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

**DOWN PAYMENT ASSISTANCE PROGRAM
AFFIDAVIT**

I/we certify that the information contained in all required and signed program-related documents submitted is true and correct. I/we further certify that:

1. I/we am a U.S. citizen or I/we have legal permanent resident status
2. The house I/we purchase will be my/our primary place of residence
3. The house I/we purchase is located within Anoka County
4. The following is a list of **all persons**, including myself, who will occupy the home after closing:

Name	Age	Relationship	Gross Monthly Income
		Head of Household	\$
			\$
			\$
			\$
			\$
			\$
		Total	\$

I/we understand that:

1. Down Payment Assistance funds are up to \$10,000 in a 0% interest, deferred forgivable loan.
2. A repayment agreement will be filed against the property.
3. The loan will be due and payable upon early sale, refinancing, lease or transfer of title or no longer our principal place of residence before the period of 5 years.
4. At the time of closing, the household may earn no more than 80% median income for Anoka County as set by the US Department of HUD.
5. The program requires a 25% non-federal MATCH contribution.
6. Funds will be used for down payment assistance and reflected in the final HUD1 Settlement Statement.
7. The first lien mortgage loan must be a fully amortized, fixed-rate loan of up to 30 years, with an interest rate that does not exceed the prevailing market rates for conforming loans.
8. A homebuyer education class must be completed before closing.

I/We hereby submit the information contained in the attached Application, income documentation and other furnished documents to be considered for the Anoka County Down Payment Assistance program.

If any of the answers are "YES", attach recent documentation verifying the income or asset.

1. Does any member of the household have, or expect to receive in the next 12 months, wages, salaries, overtime pay, commissions, fees, tips, bonuses, or other compensation? YES NO
2. Does any member of the household have a checking account? YES NO
3. Does any member of the household have a savings account? YES NO
4. Does any member of the household have, or expect to receive income or gain in the next 12 months from CD's, money market accounts, brokerage accounts, stocks, bonds, or Treasury Bills? YES NO
5. Does any member of the household receive, or expect to receive in the next 12 months periodic payments from Social Security, disability/death benefits, pensions, retirement funds, annuities, insurance policies, or similar types of periodic benefits payments? YES NO
6. Does any member of the household receive, or expect to receive in the next 12 months payments in lieu of earnings, such as unemployment and disability compensation, workers compensation or severance pay? YES NO
7. Does any member of the household receive, or expect to receive in the next 12 months, Welfare Assistance, TANF? YES NO
8. Does any member of the household receive, or expect to receive in the next 12 months periodic and determinable allowances, such as child support, spousal support/alimony, or regular contribution or gifts from persons not residing in the household including scholarships, parental gifts for tuition, etc.? YES NO
9. Does any member of the household own, or expect to own in the next 12 months real estate other than the primary residence or other capital investments? YES NO
10. Does any member of the household have retirement, pension, IRA or Keogh fund accounts? YES NO
11. Does any member of the household have life insurance policies available before death (whole or universal life insurance) YES NO
12. Does any member of the household have, or expect to receive in the next 12 months, a revocable trust? YES NO
13. Does any member of the household hold personal property as an investment? YES NO
14. Has any member of the household received or expect to receive in the next 12 months, a lump sum payment or receipt of inheritances, capital gains, lottery winnings, victims' restitution or insurance settlements? YES NO
15. Does any member of the household hold a mortgage or deed of trust? YES NO
16. Does any member of the household have any interest or receive payments from Indian Land Trusts? YES NO

DOWN PAYMENT ASSISTANCE PROGRAM

Voluntary Acquisition

Buyer/Seller Certification of Purchase

Date: _____

Property being sold: _____

Owner(s)/Seller(s): _____

Buyer(s): _____

Dear Owners/Sellers:

The property referenced above is believed to be owned by you and is being considered for purchase. Because Federal funds may be used in the purchase of your property, we are required to disclose the following information by the U.S. Department of Housing and Urban Development (HUD) in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA), Section 24.101(b)(2):

1. The proposed sale is voluntary. In the event negotiations fail to result in an agreement, the property will not be acquired by either voluntary purchase or eminent domain.
2. The fair market value of the property is estimated to be \$ _____. However, since this transaction is voluntary, current or future negotiations may result in a difference price that may be the same, higher or lower than this amount.

An owner-occupant who sells his or her property under these terms does not qualify as a displaced person for relocation payment. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer(s) and the Seller(s), the Seller(s) must be provided the opportunity to withdraw from the agreement.

Any title deficiencies, liens, or encumbrances on the property must be cleared prior to any closing. Generally, this is a cost that is borne by the Seller(s) of the property; however, payment of these costs may be negotiated between the Buyer(s) and Seller(s). No federal funds can be used to pay these costs.

If you have any question's contact Anoka County Community Development, Lana Burczek at 763-323-5708.