

HOMEBUYER'S ASSISTANCE PROGRAM (HAP) for OWNER-OCCUPIED STRUCTURES Program Guidelines



Adopted by Ordinance #5252-1992, #6211-1997, #7155-2002 and #132-2020
Updated September 1, 2020

City of Alexandria, Louisiana
Community Development Department
318-449-5072
cda@cityofalex.com

Preface

The City of Alexandria's (COA) *Homebuyer's Assistance Program* (HAP) is a function of the Community Development Department (CmDv), authorized by the Department of Housing and Urban Development (HUD). This program may be funded through the Community Development Block Grant (CDBG) and/or HOME Investment Partnerships Program (HOME) funds at the discretion of the Mayor and City Council. Other outside private lenders may also provide financial assistance, as available, and work with CmDv for qualifying applicants. The City must adopt policies and procedures, to the degree practical, for adequate and consistent implementation guidelines and administration of programs that conform to local, state and federal law.

The intent of the scope of work to be performed under this program is to designed to provide financial assistance to first time homebuyers whose income thresholds are 80% or below the median income level as determined by HUD for the City of Alexandria. HAP's goal is to assist qualified Home Buyers with a direct subsidy for down payments, rate buy-down assistance, principal reduction, closing costs and/or education training to purchase an existing home or newly constructed home within the Alexandria City limits. The focus of the program is to encourage the purchase of safe, decent, affordable housing for residents, thereby stabilizing and preserving neighborhoods.

CmDv executes the program and maintains compliance in accordance with HUD's standard regulations and Uniform Administrative Requirements. For the purpose of this document, the guidelines and qualifications for both programs will follow the HOME regulations since they are the more stringent requirements of the two programs. The HAP program will be offered using HOME and/or CDBG funds as they become available from HUD and program activities are defined and implemented by CmDv annually.

Article I - Eligibility

Persons qualifying for HAP assistance must meet the following requirements:

1. Household income for qualified applicants must be below 80% median income as determined by HUD's annual publication. The 2020 HUD Adjusted HOME Income Limits for Alexandria, Louisiana, effective July 1, 2020.

# of people per household:	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30 % Income Limits:	\$12,250	\$14,000	\$15,750	\$17,500	\$18,900	\$20,300	\$21,700	\$23,100
Very Low Income:	\$20,450	\$23,400	\$26,300	\$29,200	\$31,550	\$33,900	\$36,250	\$38,550
60% Income Limits:	\$24,540	\$28,080	\$31,560	\$35,040	\$37,860	\$40,680	\$43,500	\$46,260
80 % Median Income:	\$32,700	\$37,400	\$42,050	\$46,700	\$50,450	\$54,200	\$57,950	\$61,650

- a. Low to Moderate Income Eligibility limits are updated by HUD annually. If the applicant is applying for any year after 2020, please call the RPM at 318-449-5074 for the most current limits or visit HUD's webpage.
 - b. The Homebuyer must meet the current income requirements at the time of application for HAP and at closing.
 - c. CmDv uses the Section 8 definition to calculate Annual Income as defined in 24 CFR Part 5. The Part 5 definition of gross income, (projected for the next 12 months) includes the combined household income of all household members. Income includes, but is not limited to, job earnings (for all adult household members), Social Security and Social Services income (for all persons in the household) TANF, Veterans benefits, unemployment income, military pay, worker's compensation payments, child support, alimony/maintenance payments, income or cash value from pensions or retirement plans or from securities, stocks, bonds, etc. Income will be counted for adult children (18 years or older) or other adults who will live in the home and are employed (other than dependent full-time students). To qualify as affordable housing, HOME units must be sold only to households with certain incomes regulated by HUD, which are updated each year.
 - d. Failure to report household income constitutes fraud. As provided in 18 U.S.C. 1001, whoever knowingly and willfully makes any materially false, fictitious or fraudulent statement or representation in an application for federal assistance is subject to a fine and imprisonment for not more than five (5) years.
2. Properties eligible for HAP assistance must be located within the corporate city limits of the City of Alexandria. CmDv encourages purchases and revitalization of the 5 Target Neighborhoods identified in the City's 2009 J-Quad Revitalization Map and 2020 TDA Updated Map. Call RPM to verify if an address is located within one of the Target Neighborhoods or visit: www.cityofalexandria.com/community-development.

Neighborhood A-B	Neighborhood C	Neighborhood D	Neighborhood E	Neighborhood F
North Alexandria	Business District	Lower Third	South Alexandria	Samtown/Woodside

3. The amount of assistance will be determined by the Homebuyer's need for gap financing. CDBG and/or HOME funds are intended to be used in conjunction with other funds to ensure that no more than the necessary amount of funds is invested in one project.
4. Applicant(s) must be a first time Homebuyer, as defined by HUD, which is a person who has not had any ownership interest in a home within the past three (3) years. The only exception is for single parents who have become divorced within the past three (3) years and displaced homemakers, as defined by HUD.
 - a. If the applicant is separated from their spouse, they are not eligible for the program until they are legally divorced. The separated spouse cannot waive their right to property ownership. Proof of legal divorce papers will be required.
 - b. If the applicant is partial owner of heir property that has not had a formal succession, they will need to provide tax records to show their percentage of interest in the property and that they do not occupy the property. Proof of utility bills or other records with their name on the bill to show primary residence at a different address will be required.
5. The property must be the principal residence of the purchaser(s), not a second home or an investment property.

6. Applicant(s) must complete at least eight (8) hours of participations in a HUD approved First Time Home Buyers Education Course. To view a list of HUD approved Housing Counselors, visit: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=LA> .
 - a. The HUD approved Counselor must complete the Participating First Time Homebuyer Counselor Form and submit to the CmDv Rehab Program Manager (RPM) in order for the applicant to be given credit. (*Attachment #19*). Check HUD's website listed in #4 above for Counselor contact information to inquire on seminar schedule.
 - b. Upon completion of the training, the participant shall receive a Certificate of Completion. The Certificate of Completion is valid for twelve (12) consecutive months from the date of issuance.
 - c. The training is at no cost to the Homebuyer. CmDv will pay for training attendance as part of its Credit Counseling activity and budget. The classes provide the tools and information necessary for potential Homebuyers to determine if it is in their best interest to proceed with the process.
7. Applicant must have a minimum credit score of 640. The participating lender institution can confirm this information for the applicant.
8. Applicants are required to invest a minimum of \$500.00 toward the purchase of the house. This money must be of their own funds (no borrowed or gift funds) in order to receive HAP assistance. To receive credit this investment, a buyer's contribution must be shown on the HUD-1 settlement statement and may include an earnest money deposit, cash at closing, or "paid outside of closing" costs such as an appraisal, home inspection, etc.
9. Applicants must have an open / active checking or savings account established with a FDIC insured lending institution at the time of application.
 - a. The maximum liquid assets held by the applicant, at the time of application cannot exceed \$10,000; assistance will be reduced by any amount over the \$10,000 limit. For the purposes of this requirement, liquid assets will include any assets, of the adults who will hold title to the home, that are convertible to cash (including but limited to savings or checking accounts, certificates of deposit, stocks and bonds, etc.). Liquid assets, however, will not include any assets held in a tax-preferred retirement or health savings account recognized by the Internal Revenue Service.
 - b. Applicants must have sufficient liquid assets such that after closing (i.e. taking into account the buyer's investment toward down payment and closing costs) they have savings of at least 3 times their total monthly payment, including principal, interest, taxes, insurance, and any association fees, if applicable.
10. All individuals within the purchasing household must be citizens of the United States or qualified aliens qualified to receive federal public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA").
11. HAP funds cannot be used for "cash at closing", to make repairs to a property or to buy furniture. The buyer cannot receive any cash at the closing transaction.
12. Debt Service Ratios should not exceed 31% of gross income for housing expense (front end ratio) and 45% for total debt service (back end ratio) as recommended by the Federal Housing Administration (FHA).

- 13. Applications are processed on a “first come, first serve basis” of the complete, final qualification screening by CmDv.

Article II – Maximum Subsidy

The HAP program is designed to assist qualified buyer(s) with a direct subsidy for down payments, rate buy-down assistance, principal reduction, closing costs and/or education training as follows:

- 1. The HOME Current Maximum Per-Unit Subsidy Limits will be used for both CDBG & HOME funds. Limits for 2020 HOME Homeownership value limits are defined by HUD in Section 92.254.a.2.iii of the Final Rule, effective August 23, 2013. If the applicant is applying for any year after 2020, please call the RPM at 318-449-5074 for the most current limits or visit HUD’s webpage.

Construction Type:	Single Family Stand-Alone Unit (1 home)
New Construction:	\$238,000
Existing Construction	\$166,000

- 2. For PY2020-2024, the CDBG funded HAP assistance will be a maximum of \$25,000 per qualified applicant. The amount is based on receipt of HUD funds annually, program activity implementation per year, and set funding activities and budgets per year as determined by CmDv as is subject to change annually.
 - a. For PY2020-2021, the maximum CDBG Activity and Homebuyer Assistance cap is: Buydown Assistance is \$20,000 and Closing Cost Assistance is \$5,000.
 - b. Please call CmDv Rehab Program Manager (318-449-5074) annually to confirm subsidy available.
- 3. For PY2020-2024, the HOME funded HAP assistance will be a maximum of \$20,000 per qualified applicant. The amount is based on receipt of HUD funds annually, program activity implementation per year, and set funding activities and budgets per year as determined by CmDv as is subject to change annually.
 - a. For PY2020-2021, the maximum HOME Activity and Homebuyer Assistance cap is: not funded. CmDv elected to spend all HOME funds for acquisition, construction and disposition instead.
 - b. Please call CmDv Rehab Program Manager (318-449-5074) annually to confirm subsidy available.
- 4. The HOME Affordability Periods will be required for any HUD assistance recieved from CmDv. Even though not required by CDBG, this more stringent policy shall apply to both CDBG and/or HOME funds received by qualified applicants. A Forgivable Second Mortgage to the City is required for the number of years below based on the amount of funding received for either program.
 - a. Under \$15,000 – minimum affordability period is 5 years.
 - b. \$15,000 to \$40,000 – minimum affordability period is 10 years.
 - c. Over \$40,000 – minimum affordability period is 15 year.

- 5. The Forgivable Second Mortgage to CmDv is a zero percent (0%) interest second mortgage that will be forgiven at an equal pro-rated percentage amount for each month the applicant has lived in the house and as determined by the amount of assistance used. This deferred loan will be secured by a promissory note and subordinate mortgage to be signed at closing. Prior to closing, the Homebuyer will sign an

Agreement with the City which explains the terms of the note and mortgage, the period of affordability, the principle residence requirement, and the recapture requirement.

- a. Essentially, the applicant repays the assistance by occupying the house as their primary residence for the entire term of the Affordability Period.
 - b. If the applicant moves out of the house within the Affordability Period, they are required to pay back an equal pro-rated percentage amount of the outstanding balance of assistance they were given to CmDv.
 - c. Failure to occupy the house as a primary residence during the entire Affordability Period will also result in the buyer repaying the HAP assistance to CmDv.
 - d. If repayment of HAP assistance is required, the Homebuyer must make the payment, due in full, within thirty (30) days of demand notice from CmDv.
6. There may be several other Homebuyer assistance programs available through federal, state or local avenues. The buyer is allowed to “stack” funds from multiple funding programs, however, funds from CmDv must be the last / final source applied as assistance. An underwriting review of Sources and Uses is required by CmDv prior to committing to awarding funds on the Homebuyer’s behalf.
7. CmDv will not over subsidize assistance provided to a buyer. If qualified, the program shall only provide what is necessary to close the loan up to the maximum amount specified in this document. CmDv can only provide the *gap* funding required by the buyer after all other requirements and sources have been met.

Article III: Participating Lenders

Applicants must apply with Lenders who have been approved by the CmDv to participate in HAP and have signed a Memorandum of Understanding (MOU) with the City. The approved lenders will be responsible for submitting the HAP assistance request to the CmDv for qualification and approval.

Applicants should be advised that most lending institutions sell their loans to other banks within one (1) year of the loan origination date. This has no impact on the Homebuyer except that they will have to make loan payments to a different lending institution after that transfer.

Minimum loan amount that the Homebuyer can request from the lending institution for the purpose of this program is \$40,000.

Applicants must qualify for conventional loans.

Article IV: Securing the Primary Loan

The Homebuyer is required to obtain a mortgage or senior loan from a primary Lender that meets the requirements outlined below.

Section 1 – Primary Loan Expectations:

To ensure that Homebuyers receive high quality loans that are sustainable over time, the City requires that any Homebuyer receiving HPA receives a primary loan meeting the following criteria:

1. The loan must be a "Qualified Mortgage" under the requirements of the Consumer Protection Financial Bureau (CFPB) outlined at 12 CFR 1026.43(e). Qualified Mortgages, among other features, limit total points and lender fees to reasonable levels. Qualified Mortgages also strictly limit pre-payment penalties and contain many other features intended to protect consumers.
 - a. Federal regulations exempt state housing financing agencies from the Qualified Mortgage standard. So Alabama Housing Finance Agency (AHFA) Mortgage Revenue Bond loans are not, per se, "Qualified Mortgages" as defined by CFPB. However, AHFA loans are otherwise subject to strong consumer protections, including limitations on excessive fees and clear underwriting standards that ensure consumers have a reasonable ability to repay the loans. Consequently, AHFA MRB loans are acceptable first mortgage products despite not meeting the Qualified Mortgage definition.
2. Interest rates must be competitive and must NOT be a "Higher Priced" loan as defined by CFPB. Higher priced loan are those that exceed the Average Prime Offer Rate by more than 1.5% as of the date of the loan's rate lock. Loans can be checked against the Average Prime Offer Rate by visiting the following website: www.ffiec.gov/ratespread.
3. Lending products should be fully amortizing 30-year fixed rate loans.
4. When the primary loan is limited by the loan-to-value ratio (LTV) rather than by the buyer's ability to afford the monthly payment, the primary mortgage must allow an LTV of at least 95%. (See below for expectations when the buyer's debt ratios limit the amount of the primary loan).
5. The Homebuyer(s) must qualify on their own merit without a co-signer.
6. The Homebuyer may not refinance the first mortgage for any purpose other than to:
 - a. reduce the interest rate and/or
 - b. reduce the term of the first mortgage

Section 2 – Monthly House Note / Payment:

The primary loan monthly payment (principal, interest, taxes, and insurance) *cannot exceed 31%* of gross annual income. Additionally, the primary mortgage, combined with other consumer debt, cannot result in a total debt ratio (aka "back end ratio") greater than 45%.

When the Homebuyer's primary loan is limited by his/her debt to income ratio, the primary loan monthly payment (principal, interest, taxes, and insurance) *cannot be less than 25%* of gross annual income.

Note, this criterion is not intended to eliminate Homebuyers whose loan is limited by the lender's loan-to-value ratio resulting in a monthly payment less than 25% of income.

For example, if a Homebuyer could qualify to purchase a \$100,000 home at a 28% ratio, but because the household is purchasing a \$50,000 home, the actual payment will be less than 25% of monthly income.

Section 3 – Cause for Recapture:

The City uses the provisions of 24 CFR 92.254 (a)(5)(ii)(2) and (4), recapture net of proceeds; Owner investment returned first.

The HOME Affordability Periods and Recapture provisions will be required for any HUD assistance received from CmDv. Even though not required by CDBG, this more stringent policy shall apply to both CDBG and HOME funds received. A Forgivable Second Mortgage to the City is required for a specific number of years based on the amount of funding received. See Article II, items 2-4 for more information.

If the Homebuyer transfers title of the property either voluntarily (including by sale) or involuntarily (including by foreclosure) during the period of affordability, the Homebuyer will be required to pay the City the remaining balance of the total direct CDBG and/or HOME-assistance provided. However, the Homebuyer will not be required to repay the City more than the net proceeds of the sale. If there are no net proceeds, repayment is not required and the CDBG and/or HOME Program requirements are considered to be satisfied. This remedy is called "recapture net proceeds". The term net proceeds is defined as the sale price less the balance due on the first mortgage and special liens due there under; reasonable and customary expenses of sale; and the value of the homebuyer's initial investment in the home. The City reserves the right to determine whether the sales price is comparable to the sales price in an arms-length transaction for a similar unit.

If the Homebuyer ceases to occupy the home, leases the home, converts the home to non-residential use or should the home be destroyed by fire or other cause, the entire CDBG and/or HOME investment in the activity, including any direct Homebuyer assistance and any City soft costs are subject to repayment.

Article V: HAP Qualification Process

Once the Homebuyer selects a Lender, they will follow the procedures below to apply for HAP assistance from CmDv. The Homebuyer must call ahead to schedule an appointment with a Lender's Loan Officer for credit qualification pre-screening at a participating lender location. The appointment with the Lender is to determine if the applicant can borrow enough money to purchase a home.

Section 1 - Applicant Responsibility to Lender:

1. The Lender shall maintain a list of Annual Income Inclusions and Exclusions to qualify the applicant. (*Attachment #1*).
2. The applicant will need to bring the following documentation to the scheduled appointment:
 - a. First Time Homebuyers seminar Certificate of Completion
 - b. Photo id
 - c. The last two (2) most recent paycheck stubs
 - d. Most recent past two (2) years of Federal Income Tax Returns complete with all schedules and W-2's
 - e. Information Release Form signed by all persons over the age of 18 who will live in the home to be purchased
 - f. Last three (3) months bank statements and calculation of value of assets, if applicable
 - g. Copies of legal, filed divorce papers, if applicable
 - h. Copies of partial ownership in heir property, if applicable
 - i. Copies of child support court order, letters of entitlement, etc.
 - j. Verification of Veteran Administration benefits, Social Security benefits, Pensions and Annuities, Retirement Income and Child Support Payments
 - k. Affidavit of U.S. Citizenship or proof that applicant(s) is a legal permanent resident

Section 2 - Applicant / Lender Credit Pre-screening to CmDv:

1. During the visit with the loan officer for pre-screening, the following documentation will be completed and the Lender will give completed copies to the applicant:

- a. Income Eligibility Pre-Screen Application (*Attachment #2*)
 - b. Mortgage Income Eligibility and Dependent Statement (*Attachment #3*)
 - c. Eligibility status (Eligible or Denied), letter of maximum credit / borrowing limit (*Attachment #4*)
 - d. CmDv Sources and Uses Underwriting Calculations Form (*Attachment #5*)
 - e. Release of Information Disclosure (*Attachment #6*)
2. In the event that the applicant is not eligible to apply for a home loan at that time, they may continue to work with the bank to establish credit, repair credit scores and other exercises in effort to become eligible in the future.

Section 3 - Applicant / Community Development Qualification Screening:

1. Once the visit with the Lender is complete and the applicant *is deemed eligible* to apply for a home loan, the applicant must call ahead to schedule an appointment with the CmDv Rehab Program Manager (318-449-5074) to determine if the applicant is qualified to participate in the program to receive Homebuyer Assistance based on income verification, subsidy limits and sources and uses calculations and HUD regulations.
2. If the Homebuyer is eligible, they will need to bring all of the documents from Article V, Section 2 above to the scheduled appointment with the CmDv Rehab Program Manager. During this visit, the Rehab Program Manager shall complete the following documents:
 - a. Income Eligibility Certification (*Attachment #7*)
 - b. Dependent Information (*Attachment #8*)
 - c. Statement of First Time Homebuyer Acknowledgement (*Attachment #9*)
 - d. Program Participation Qualification status (Qualified or Not Qualified), with end date for the qualification period (*Attachment #10*)
3. The applicant will only be allowed a maximum of five (5) business days from the date of original appointment with CmDv Rehab Program Manager to bring any additional information required to complete the final screening process.
4. Once the CmDv Rehab Program Manager makes the final qualification determination, they will send the Program Participation Qualification Status Notice (*Attachment #10*) to the lending institutions loan officer.
5. The CmDv Rehab Program Manager will complete the qualification status within five (5) business days from the final screening appointment, after all documentation has been received.

Section 4 – Approved Homebuyer Commitment from Community Development:

Once the applicant is eligible for a home loan through a participating Lender institution and has met the minimum program qualifications with CmDv, the amount of gap assistance needed, up to the program maximum subsidy:

1. The Homebuyer and Lender will receive a Commitment Letter from CmDv noting the amount of assistance to be provide, the funding source and the assistance will be committed for a maximum of six (6) months. The loan must close within the allotted six (6) months. Unused funds will be returned to CmDv's HAP fund pool for further distribution to eligible buyers.
2. The Lender will need to send a confirmed amount of gap assistance needed on the Homebuyer's behalf to CmDv Rehab Program Manager a minimum of two (2) weeks before closing. CmDv has to request a check

through the COA Finance Department. The CmDv Rehab Program Manager will attend the closing and present the check.

3. Recapture Restrictions (*Attachment #11*) shall be incorporated into the closing documents and filed with the property deed for assistance from either CDBG and/or HOME funds. See Article IV, Section 3 for more information.
4. Funds will only be reserved, as available, for eligible and qualified applicants meeting all criteria above. No substitutions of applicants shall be permitted under any circumstances.
5. The applicant receiving assistance shall be required to participate in the HAP Annual Verification of Residency confirmation once a year. This allows the CmDv Rehab Program Manager to meet with the Homeowner to verify they are still living in the house for the duration of the Affordability Period / Recapture Agreement period. The CmDv Rehab Program Manager will contact the applicant one week in advance to schedule an appointment to sign the verification paperwork. Typically, this appointment occurs in April, however, is subject to change based on the Departments schedule.
 - a. If there are three (3) failed attempts within a two month period to meet with the Homeowner, the CmDv Rehab Program Manager shall consider that the original applicant is no longer the primary resident and shall move toward processing the demand of the Recapture Agreement.
6. CmDv requests permission of the Homebuyer to use them as a reference in marketing material for a successful experience in participating in HAP. Authorization is not a qualification of eligibility. (*Attachment #17*)

Article VI: Property Type

Only a single family dwelling unit located within the City limits of Alexandria that will be the principal and full-time permanent residence of the Homebuyer is eligible for participation in the program. The property must be owner-occupied, purchaser-occupied (if leased) or vacant. The Seller will be required to certify the occupancy status of the home.

CmDv encourages purchases and revitalization of the 5 Target Neighborhoods identified in the City's 2009 J-Quad Revitalization Map and 2020 TDA Updated Map. Call RPM to verify if an address is located within one of the Target Neighborhoods or visit: www.cityofalexandria.com/community-development.

Neighborhood A-B	Neighborhood C	Neighborhood D	Neighborhood E	Neighborhood F
North Alexandria	Business District	Lower Third	South Alexandria	Samtown/Woodside

1. In order to be eligible for HAP assistance, properties must meet HUD's Minimum Property Standards as defined in 24 CFR 982.401, the current version of the International Residential and Property Maintenance Codes, as well as the City of Alexandria's Municipal Code of Ordinances.
 - a. The City Inspector will inspect the property prior to commitment of assistance to determine the structural feasibility, overall condition, health, and safety of the property. The City Inspector will be checking for specific code violations that would prohibit occupancy.
 - b. If the property was built prior to January 1, 1978 the City Inspector will conduct a visual lead assessment to identify any deteriorated lead-based paint, dust, debris, and residue issues.
 - c. The City Inspectors report trumps other independent home inspection report.

2. It is recommended that the Homebuyer also obtain an independent home inspection. The cost of the inspection may be included as closing cost. However, the cost of inspection will not be reimbursed if for any reason the Homebuyer does not receive CDBG and/or HOME assistance for that specific property.
3. In the event any code violations, repairs related to deferred maintenance or defects or lead-based paint issues are discovered during the initial City or independent home inspection, the seller will be required to correct/repair each, at the seller's expense prior to closing. In accordance with the Environmental Policy Act (EPA), at least one EPA certified renovator must be at the job site or available when the work is being performed to correct any lead-based paint issues using lead safe work practices.
 - a. Once all the identified corrective work is performed, the property will be re-inspected to confirm that the code violations, repairs, and lead-based paint issues have been satisfactorily completed.
 - b. Neither the Lender nor the City shall have any liability for costs incurred by any party for repairs. The City will not issue a contingent loan approval subject to satisfactory completion of repairs prior to settlement.
4. The following Property Types listed below will not be eligible to receive assistance:
 - a. Manufactured homes, condominiums, town houses and duplex or multi-plex units are not eligible.
 - b. A single family dwelling unit located on a private road is not eligible.
 - c. A foreclosed property subject to a right of redemption is not eligible.
 - d. A single family dwelling unit that is a "short sale" is not eligible.
 - e. In keeping with the City's policy to minimize displacement of tenants, no property that would result in the displacement of tenant(s) is eligible for this program.
5. The Homebuyer will be required to carry hazard insurance for the term of the subordinate mortgage and promissory note, in an amount sufficient to pay all outstanding liens and naming the City as an additional loss payee in primary coverage. Evidence of insurance must be provided at closing and annually thereafter.
 - a. Houses in any flood plain, 100 year or more, are required to carry additional flood insurance for the life of the Homebuyer occupying the home, not just the term of the Affordability Period. Since there is an additional expenses, homes in the flood plain are generally discouraged.
6. CmDv Rehab Program Manager is required to perform a site specific environmental review of the property prior to providing any financial assistance. The property must pass the site specific environmental review to qualify for participation in the program. If the property fails to pass the environmental review, the request for assistance will be denied. The environmental review is at no cost to the Homebuyer. An environmental review takes an average of six (6) weeks to complete and collect required agency clearances.
 - a. Submitting an application for HOME and/or CDBG funds triggers environmental review requirements under 24 CFR 58, including the National Environmental Policy Act (NEPA). Once an application for federal funds is submitted, funding is now subject to the environmental review requirements and may require an environmental clearance and issuance of a Release of Funds (ROF) by HUD.
 - b. Applicants are prohibited from undertaking or committing or expanding any funds to (including non-federal funds) any physical or choice-limiting actions on the site prior to an environmental

clearance as required by Part 58. Physical and choice limiting actions include, but are not limited to, property acquisition, demolition, movement, rehabilitation, conversion, repair or construction. The prohibition applies regardless of whether federal or non-federal funds are used, and taking a choice limiting action prior to completion of the required environmental clearance process will result in the denial of any HOME and/or CDBG funds from CmDv.

Article VII: Finding your new home with a Real Estate Agent

It is recommended that eligible, qualified Homebuyers work with a State Licensed Real Estate Agent to begin to search for their new home. Please work with only one Agent for all of the houses you wish to consider.

1. The Seller is generally responsible for paying Real Estate Agent commissions.
2. Homebuyer will need to provide the Agent with a copy of the Eligibility status letter, specifying the maximum credit / borrowing limit (*Attachment #4*) from the bank.
3. Provide the Agent with a copy of the HAP Guidelines with special attention to Article VI.
4. The acceptable type of housing for HAP consists of new or existing construction, single family, and detached, conventional construction dwellings only. See Article VI for more information. The Homebuyer can request assistance from the Real Estate Agent in identifying available houses in the local real estate market.
5. Properties eligible for HAP assistance must be located within the corporate city limits of the City of Alexandria. CmDv encourages purchases and revitalization of the 5 Target Neighborhoods identified in the City's 2009 J-Quad Revitalization Map and 2020 TDA Updated Map. Call RPM to verify is an address is located within one of the Target Neighborhoods or visit: www.cityofalexandria.com/community-development.

Neighborhood A-B	Neighborhood C	Neighborhood D	Neighborhood E	Neighborhood F
North Alexandria	Business District	Lower Third	South Alexandria	Samtown/Woodside

6. HAP funding will not be allowed to be used in a lease or lease to own situation. The transaction shall be for sale only.
7. Once a house is selected for potential purchase, the Agent shall send a copy of the signed Buy / Sell Agreement to the CmDv Rehab Program Manager (318-449-5074). The Agent shall make provisions in the Agreement to allow a minimum of five (5) business days for CmDv Housing Standards inspection (*Attachment #12*) and access for the inspection by a City Inspector for compliance of International Residential and Property Maintenance Codes, and Housing Quality Standards (*Attachment #13*).
 - a. This inspection is to visually verify that the house meets the Minimum Property Standards based on the inspection criteria from the CmDv office and the current adopted International Property Maintenance Code. A copy can be provided to the Real Estate Agent by request.
 - b. Any repairs recommended by the City Inspector shall be considered "required repairs" and must be completed, inspected and approved one (1) week prior to closing. Any interested party can be responsible to make the repairs; however, this is typically done by the Seller prior to the sale.

- c. It is strongly recommended that the Homebuyer consider hiring an independent Licensed Home Inspector, through their own means or negotiations with the seller, to inspect the property for existing conditions in the structure that may need repair. Some of these repairs may not be considered "required" repairs by the CmDv office, and therefore, may not be required to be completed prior to closing.
 - d. The Home Inspector fees may be included in closing costs.
 - e. The Home Inspectors visit and the City Inspectors visit are each looking for different criteria of condition in each of the inspection types.
 - f. HAP funds cannot be used to pay for any repairs .
 - g. Depending on the type of repairs, a Building Permit may be required prior to the start of work. In some cases, a State Registered Home Improvement Contractor or other licensed Contractors may also be required. Call Construction Development at 318-473-1372 for confirmation.
8. The Homebuyer must provide proof of a recent (within sixty (60) days of the Buy / Sell Agreement) termite inspection certificate one (1) week prior to the closing on the Agreement. Any interested party can be responsible for the termite certificate; however, this is typically done by the Homebuyer prior to the sale.
 9. The Homebuyer must maintain Fire, Windstorm and Hail insurance on the property for the duration of the Affordability Period (five (5) or ten (10) years after closing, depending on CDBG or HOME funding source).
 10. Flood insurance shall also be required if the house is in the floodplain for the duration of the occupancy of the home, not just the Affordability Period. Contact COA Floodplain Manager at 318-473-1184 to determine if the house is in the floodplain. Any potential claims for flood damage by the Homebuyer may be denied if coverage is not consistent.

Article VIII: Purchasing your new home – Buyer / Lender Package

The Homebuyer must call ahead to schedule an appointment with a Loan Officer for preparing the closing date for the purchase of the new home with the participating Lender. It is important to stay with the same bank and Loan Officer since they have processed your pre-screening requirements.

1. The Homebuyer will need to provide a copy of the signed Buy / Sell Agreement to the Loan Officer.
2. The Lender will submit to the CmDv Rehab Program Manager (through delivery of the applicant), the Formal Package for approval, consisting of the below listed information:
 - a. Formal Request for Approval (*Attachment #14*)
 - b. Request for HAP Assistance Check (*Attachment #15*)
 - c. Current Verification(s) of Employment and /or other income verification documents (i.e. Social Security Award Letters, etc...) for Household
 - d. Uniform Residential Loan Application-Form 1003
 - e. Current Verification(s) of Deposit or the last two (2) months bank statements verifying down-payment funds
 - f. Estimated Good Faith Estimate (disclosing breakdown of assistance requested in each category-Down Payment, Closing Cost, Buy Down-as per the Request for Check)

- g. Estimated Federal Truth-in-Lending Disclosure Statement (disclosing breakdown of assistance requested in each category-Down Payment, Closing Costs, Buy Down-as per the Request for Check)
 - h. Complete FHA, VA, or Special Mortgage Insurance Program certified appraisal
 - i. Completed and approved CmDv inspections (Compliance Inspection Report) with all Minimum Property Standards being satisfied (*Attachment #13*).
 - j. HAP Program Subsidy Requirement Checklist (*Attachment #16*)
3. Upon submission of the approval package, CmDv Rehab Program Manager will review for income eligibility, fund usage, and property standards.
 - a. If the package is incomplete, the CmDv will notify the lender by faxing a Pending Status for identifying the missing information.
 - b. Once all required information is received and upon approval, the HAP Request for HAP Assistance Check (*Attachment #15*) will be submitted to the City's Accounting Department for processing within ten (10) business days from the appropriate funding sources. The CmDv Rehab Program Manager will attend the closing and will present the HAP assistance funds check to the Closing Agent.
 4. The CmDv Rehab Program Manager will provide the Recapture Restrictions & Forgivable Second Mortgage Buy/Sell Agreement Addendum (*Attachment #11*) requiring completion to approved Closing Agents. See Article II, items 2-4 and Article IV, Section 3 for more information. The Closing Agent is responsible for the preparation of the documents, completion of the documents with appropriate signatures, recording of the documents, and providing CmDv with a complete package of all documents signed at closing which includes the original HAP Note and a recorded copy of the HAP Mortgage.
 5. The Lender is responsible for canceling a HAP reservation as soon as they become aware that the loan cannot be closed.

Article IX: Underwriting Criteria

1. HUD Regulations: All terms of HUD regulations shall be complied with as a minimum standard per document HUD 4155.1 for the underwriting process. Per this document, the CmDv may have elected to impose more stringent program guidelines to ensure the success of the program and the applicant's long term commitment.
2. Income: Gross Debt Service Income is the amount of income used to determine a house buyer's ability to service a debt. Types of income to consider are wages, salaries, interest, dividends, and net profit (from businesses) etc.... (See HUD Income Determinations 92.203(b)) Applicant's income can be up to 80% of the area median income. Income shall be verified by Paycheck stubs, Social Security Award Letters, Verification(s) of Employment, or other valid supporting documentation with back-up documentation coming from the last three (3) years Federal Income Tax Returns (including dependent information and schedules), W-2's, etc.... Debt Service Ratios should not exceed 31% of gross income for housing expense and 45% for total debt service (*Attachment #7*). Should the Debt Service Ratios exceed the aforementioned maximums; the lender will be required to provide evidence of compensating factors.

As per HUD Income Determinations 92.203 (b), each family is income eligible by determining the family's (household) annual income. The Loan Officer must calculate the annual household income by taking the

prevailing rate of income of the family (household) at the time of application and PROJECTING forward to establish an annual household income for income eligibility determination. (Example: Current Hourly Rate (\$9.00) times Number of Hours Worked per Week (40) times Number of Weeks in a Year (52) equals Projected Annual Income (\$18,720.00).

Annual income shall include income from all family members over the age of eighteen (18) years old (i.e., wages, salaries, tips, commissions, self-employment income, interest, dividends, net rental income, Social Security, Railroad Retirement, Supplemental Social Security income, Child Support, AFBC or other Public Assistance or Public Welfare programs, any other sources of income received regularly, etc....) (*Attachment #8*).

3. Dependents: Proof of eligible dependents will be determined by Federal Income Tax Records, school records, medical records, and/or any other valid documentation approved by the Community Development. Lenders must complete the Dependent Attachment form (*Attachment #8*) for each dependent in the household and submit the proper documentation. Applicants will also be required to sign the Mortgagor Income Eligibility and Dependent Statement (*Attachment #3*) to certify the name, age, relationship, and annual income of all household members.
4. Minimum Property Standards: Properties eligible for HUD mortgage insurance or a specific mortgage insurance program must meet Minimum Property Standards as per HUD's applicability of minimum property standards established in the Code of Federal Regulations Part 24, 200.925.
5. Forgivable Second Mortgage: A soft second mortgage will be required to incorporate the HAP Funds Re-Capture Agreement (*Attachment #11*) for fund usage of the assisted portion, forgivable within a five (5) year or ten (10) year affordability period depending on the amount funded and which program is providing funding, CDBG or HOME.

Article X: Federal, State and Local Regulations Apply

1. Affirmative Marketing Plan. Methods used to affirmatively market the properties developed under this program include, but are not limited to:
 - A. Ad advertisement will be placed in the local newspaper describing the available funding assistance including a statement regarding equal housing opportunity.
 - B. The Equal Housing Opportunity logo will be used on all correspondence that provides notice of housing assistance and any press release or media advertisement.
 - C. Equal Housing Opportunity posters with the logo will be displayed at the location where applications are taken.
 - D. At the time the application is taken, all applicants will be provided with an Equal Housing Opportunity brochure.
 - E. Written selection policies and procedures will be available to all applicants, with a non-discrimination policy statement included at the beginning of the written document.
 - F. Written communication (flyers) with non-discrimination statement will be sent to Alexandria Housing Authority with request that information be distributed to tenants.
 - G. Transitional housing providers will be given flyers with a request that they be distributed to persons living in transitional housing shelters.
 - H. Key churches and other communities of faith serving the population being sought will be informed in writing of the housing assistance available.

- I. Neighborhood organizations will be provided with flyers describing the housing assistance available.
2. Applicable Law. This Agreement shall be construed and interpreted in accordance with Louisiana law. In the event of legal action resulting from a dispute hereunder, the Parties agree that the state and federal courts of the State of Louisiana shall have jurisdiction and that the proper forum for such action shall be Rapides Parish, Louisiana.
3. Assignment. This Agreement is binding on the Homebuyer, and their respective successors and assigns. The Homebuyer shall not assign or transfer its interest in this Agreement without the written consent of the City.
4. Code of Conduct / Conflict of Interest. The Homebuyer must disclose any potential conflict of interest, including if any owner, manager, employee or agent of the Homebuyer is an employee, agent, consultant, officer or elected official or appointed official of the City, an immediate family member to any such person or has business ties with any such person. In such a case, CmDv will review the potential conflict to determine if it involves any person who presently or in the past year exercises any functions or responsibilities in connection with CmDv's HOME and/or CDBG programs. If so, the City may seek an exception from HUD under the requirements of 92.356.

The Homebuyer acknowledges that under the HUD Conflict of Interest regulations at 24 CFR 570.611(b) for CDBG and 24 CFR 92.356 for HOME, in general, any person who is an employee of the City of Alexandria is a covered person under the rules and serving that person (or an immediate family member) shall require HUD to issue a waiver in order to be qualified to obtain financial interest of benefit from these activities either for themselves or for those with whom they have immediate family ties. CmDv will be responsible to collect and process the necessary information to apply to HUD for the approval waiver. The HUD waiver process could take as long as one year or more, therefore, a Homebuyer may not receive funding that particular year, however, the waiver would still be valid for re-submittal the subsequent year.

5. Code of Ethics. It is a violation of the Louisiana Code of Governmental Ethics for a public servant, specifically CmDv staff personnel, to do work with an immediate family member. The Code defines "immediate family" relating to public servant as children, spouses of children, brothers, sisters, spouses of public servants' brothers and sisters, parents, spouse and the parents of public servants' spouse. For more definitions and a review of the Code of Ethics, please visit the Louisiana Ethics Administration Program website at www.ethics.la.gov.
6. Counterparts. This Agreement shall be executed in two or more counterparts, each of which shall be considered an original, and shall be binding when fully executed by both parties.
7. Entire Agreement. This Agreement, together with the exhibits hereto and the related Program Policy Guidelines, Lender application, Homebuyer application for participation in the program, and Letter of Commitment which are specifically incorporated herein, represent the entire agreement between the parties and supersede all prior representations, negotiations or agreements whether written or oral.
8. Excluded Parties. Homebuyer and their business entity hereby certifies that he is not suspended, debarred, or otherwise prohibited from participating in federally-assisted contracts and further certifies that no such parties will be employed as Contractor, Subcontractors and/or vendors on the project. Homebuyer's business must provide written proof that they are not listed as an EPLS (Excluded Parties List System) on the Federal Government's SAM's (System for Award Management) website at www.sam.gov/portal/sam . Placement on the SAMS federal excluded parties list of the Homebuyer's business and/or use of an excluded party shall be

automatically be rejected from award, by Category and/or in its entirety and immediate termination of this Contract.

No proposal or loan application will be processed for any borrower or related entity which is not in good standing with the, City of Alexandria, the Louisiana Housing Commission, Louisiana Secretary of State, or any other state housing finance authority, HUD and/or the Federal SAMS ELPS list. A proposal can be denied consideration for funding if the Applicant or its related parties have a history of default or non-performance under any agreement, payment delinquencies, bankruptcy, foreclosure, or activities determined to be unsound or unlawful. CmDv will not fund projects owned, developed, or otherwise sponsored by any individual, corporation, or other entity that is suspended, debarred, or otherwise precluded from receiving federal awards.

9. Fair Housing. HUD provides funding to state and local government agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. The State of Louisiana has a fair housing law that meets substantial equivalency requirements of the federal government. The state law contains all the protected classes found in the federal law and meets the enforcement and penalty standards set forth in the federal Fair Housing Act. The City of Alexandria is committed to following compliance and enforcement of the Fair Housing Act, and all Federal, State and local mandated assurances.
10. Headings and Pronouns. The headings of the paragraphs in this Agreement are for convenience only and do not affect the meanings or interpretation of the contents. Any pronouns used within this Agreement shall be applicable without regard to gender. Additionally, any construction of terms, parties, or pronouns shall be construed in either the singular or plural as may be appropriate regardless of the actual term used herein.
11. Lead Based Paint Hazards. Homebuyer acknowledges that houses built prior to 1978, per EPA and HUD regulations, may contain lead. A Lead Safe pamphlet will be provided to the Homebuyer.

Article XI: Attachments

- | | |
|----------------|---|
| Attachment #1 | Annual Income Inclusions and Exclusions (to lender) |
| Attachment #2 | Income Eligibility Pre-Screen Application (from lender) |
| Attachment #3 | Mortgagor Income Eligibility and Dependent Statement (from lender) |
| Attachment #4 | Applicant's Eligibility Status (Eligible or Denied) from Participating Lender (to CmDv) |
| Attachment #5 | CmDv Sources and Uses Underwriting Calculations Form (from lender) |
| Attachment #6 | Release of Information Disclosure |
| Attachment #7 | Income Eligibility Certification (changes annually, be sure you have the current year's form) |
| Attachment #8 | Dependent Information (from CmDv) |
| Attachment #9 | Statement of First Time Home Buyer Acknowledgement (from CmDv) |
| Attachment #10 | Buyer's Program Participation Qualification (Qualified or Disqualified) (from CmDv) |
| Attachment #11 | HAP Recapture Restrictions & Forgivable Mortgage Buy/Sell Agreement Addendum (to lender) |
| Attachment #12 | City Inspection Requirement for Buy/Sell Agreement Addendum (to Real Estate Agent) |
| Attachment #13 | Housing Quality Standards Check Sheet (from CmDv) |

- Attachment #14 Formal Request for Approval (from lender)
- Attachment #15 Request for HAP Assistance Check (from lender)
- Attachment #16 HAP Program Subsidy Requirement Checklist (from lender)
- Attachment #17 Buyer Affidavit for success story publication (from CmDv)
- Attachment #18 Certified Lender Application for Participation and MOU with City (to lender)
- Attachment #19 Participating First Time Homebuyer Counselor / Instructor

Annual Income Inclusions and Exclusions (*Attachment #1* – page 1 of 4)
Homebuyer Assistance Program (HAP)

Exhibit 3.1 – 24 CFR Part 5 Annual Income Inclusions

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except for certain exclusions, listed in Exhibit 3.2, number 14).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except for certain exclusions, as listed in Exhibit 3.2, number 3).
6. Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:
 - a. Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
 - b. Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).If the Welfare assistance payment includes an amount specifically designed for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from person not residing in the dwelling.
8. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
9. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
10. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be

Annual Income Inclusions and Exclusions (*continued*, Attachment #1 – page 2 of 4)
Homebuyer Assistance Program (HAP)

included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

11. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except for certain exclusions, listed in Exhibit 3.2, number 14).
12. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except for certain exclusions, as listed in Exhibit 3.2, number 3).
13. Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:
 - a. Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
 - b. Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).

If the Welfare assistance payment includes an amount specifically designed for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

- c. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- d. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage
 - a. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from person not residing in the dwelling.
 - b. All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Exhibit 3.1 – 24 CFR Part 5 Annual Income Inclusions

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in Exhibit 3.1, number 5 of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide (as defined in 24 CFR 5.4030).
6. Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)).
7. The full amount of student financial assistance paid directly to the student or to the educational institution.
8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Amounts
 - a. Amounts received under training programs funded by HUD.
 - b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.

Annual Income Inclusions and Exclusions (*continued*, Attachment #1 – page 3 of 4)
Homebuyer Assistance Program (HAP)

- d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.
 - e. Amount of incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
10. Temporary, nonrecurring, or sporadic income (including gifts).
 11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
 12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
 13. Adoption assistance payments in excess of \$480 per adopted child.
 14. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
 15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
 16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
 17. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of Income sources that qualify for that exclusion:
 - a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, Vista, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender Incarceration alternatives, senior companions).
 - c. Payments received under the Alaskan Native Claims Settlement Act.
 - d. Income derived from the disposition of funds to the Grand River Band of Ottawa Indian.
 - e. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes.
 - f. Payments or allowances made under the Department of Health and Human Services' Low-income Home Energy Assistance Program.
 - g. Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721).
 - h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interest of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
 - i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs.
 - j. Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program)
 - k. Payments received on or after January 1, 1989, from the agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
 - l. Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments.

Annual Income Inclusions and Exclusions (*continued*, Attachment #1 – page 4 of 4)
Homebuyer Assistance Program (HAP)

- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- n. Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- o. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- p. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- q. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran.
- r. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.
- s. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

Income Eligibility Pre-Screen Application (*Attachment #2* – page 1 of 3)
Homebuyer Assistance Program (HAP)

Any gainfully employed full time, part time or full time and part time applicant, applicant with fixed income that are over the age of 18 years old who will occupy the property must have application submitted:

_____ Date _____ Applicant Project # (City of Alexandria)

_____ Lending Institution _____ Phone number

_____ Contact Person _____ Fax number

_____ Email Address
.....

Applicant Name: _____

Date of Birth: _____ Age: _____

Sex: _____ Race: _____

Address: _____

Home Phone: _____ Cell Phone: _____

Work Phone: _____

Type of Employment (Full Time or Part Time) _____

Spouse Name: _____

Date of Birth: _____ Age: _____

Sex: _____ Race: _____

Type of Employment (Full Time or Part Time) _____

Number of Dependents that reside in the household: _____
(should match *Attachment #8*)

Income Eligibility Pre-Screen Application (*continued, Attachment #2 - page 2 of 3*)
Homebuyer Assistance Program (HAP)

Anticipated Annual Income Calculations: (provide gross amounts before any deductions)

Name of Persons Living in Household	Wages/ Salaries Pensions, etc.	Social Security/ Pensions, etc.	Public Assistance	Other Income (Child Support)
--	-----------------------------------	------------------------------------	----------------------	---------------------------------

Applicant:

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

Spouse:

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

Dependents:

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

_____	\$ _____	\$ _____	\$ _____	\$ _____
-------	----------	----------	----------	----------

TOTALS:	1. _____	2. _____	3. _____	4. _____
---------	----------	----------	----------	----------

A. Total Annual Household Income (Sum of Items 1 through 4 above) \$ _____

Assets – List All Sources (Checking Accounts, Savings Accounts, Retirement Accounts, etc...)

Description of all Assets

Cash Value

_____	\$ _____
-------	----------

_____	\$ _____
-------	----------

_____	\$ _____
-------	----------

Income Eligibility Pre-Screen Application (continued, Attachment #2 - page 3 of 3)
Homebuyer Assistance Program (HAP)

B. Total Asset Income to be Considered: \$ _____

Total Annual Household Income Eligibility (Sum of Items A & B above) \$ _____

Documentation Required To Be Attached

1. Employment Income Verification
2. Verification of any other source of Income from all Residents.
3. Verification of Deposit or Other Assets
4. Copy of Applicant(s) Picture ID

Prepared by: _____ Date: _____

Reviewed by: _____ Date: _____

APPLICANT CERTIFICATION: The Applicant(s) certifies that all of the information furnished in support of this application, is true and complete to the best of the applicant(s) knowledge and belief.

The applicant under the Penalty For False or Fraudulent Statement: U.S.C., Title 18, Sec. 1001, provides "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years, or both".

Applicant: _____ Date: _____

Spouse: _____ Date: _____

Witness: _____ Date: _____

Witness: _____ Date: _____

.....
CITY USE ONLY: Approved _____ Not Approved _____

Comments: _____

City of Alexandria Representative

Date

Mortgagor Income Eligibility and Dependent Statement (*Attachment #3* – page 1 of 2)
Homebuyer Assistance Program (HAP)

The information requested below must be provided with respect to all individuals who are expected to live in the residence being financed. The information requested below must be provided in order to determine your eligibility for assistance under the income limited established by HUD for the City of Alexandria’s Homebuyer’s Assistance Program (HAP). This information will only be used to determine your eligibility under the income limits and will not be used for Mortgage Loan underwriting purposes. You must complete this form along with the Uniform Residential Loan Application (Form 1003) because certain sources of income may be included when determining income eligibility which you are not required to include when reporting your income for mortgage loan underwriting purposes.

General Information

Lender: _____

Mortgagor(s) Name(s): _____

Purchase Address: _____

Name(s) of any Co-Borrower(s) _____
(Who will live in the financed residence)

Name and Gross Income for Individuals who will live in the residence-Complete Household:

List on each line below the name, relationship, and total of all such annual income, if any, for all members of the household:

Name	Age	Relationship	Annual Income
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
Total Annual Income (must match Attachment #2)			\$ _____

Mortgagor Income Eligibility and Dependent Statement (*Attachment #3* – page 2 of 2)
Homebuyer Assistance Program (HAP)

Homebuyer

Date

Homebuyer

Date

Witness

Date

Lender

Date

.....
Applicant's Ratios:

If applicant's ratios exceed 31% and 45% please provide list of compensating factors.

WARNING!!

APPLICANT CERTIFICATION: The Applicant(s) certifies that all of the information furnished in support of this application, is true and complete to the best of the applicant(s) knowledge and belief.
The applicant under the Penalty For False or Fraudulent Statement: U.S.C., Title 18, Sec. 1001, provides "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years, or both".

Applicant's Eligibility Status Letter (*Attachment #4*)
Homebuyer Assistance Program (HAP)

BANK LETTERHEAD

SAMPLE Pre-Qualification Letter

DATE:

RE: Customer Name

Community Development Rehab Program Manager:

Please accept this letter as confirmation that [*Bank Name*] has pre-qualified the above applicant for a FHA Loan and consideration as a HAP Assistance recipient. The maximum borrowing limit for the applicant cannot exceed \$_____.

This pre-qualification is subject to all customary verifications including but not limited to, a satisfactory appraisal, and clear title to the property. In addition, your office will confirm compliance with HUD regulations regarding the administering of HAP funds according to program guidelines.

If additional information is needed, please contact me.

Sincerely,

Loan Office
NMLS# _____
Mortgage Originator
Phone #
Email:

CmDv Sources and Uses Underwriting Calculations Form (*Attachment #5* – page 1 of 3)
Homebuyer Assistance Program (HAP)

COMPLETED SAMPLE (Use this form but delete the information in Explanation and Amount Columns)

Maximum Affordable Mortgage			
Key	Required Description of Cost	Explanation of Description / Cost	Amount
1	Max Percent of Income for Affordable Housing	Based on Program Guidelines	30%
2	Annual Income	3 person HH at 60% AMI	\$28,313
3	Annual Real Estate Tax	Use % of purchase price	\$1,000
4	Annual Property Insurance	Estimate based on local market	\$800
5	Monthly Income		\$2,359
6	Monthly Affordable Housing		\$708
7	Monthly Tax		\$83
8	Max Property Insurance		\$66.67
9	Max Monthly Payment for Principal & Interest		\$558
10	Term of Mortgage (in years)	Based on pre-qual term sheet from lender	30
11	Interest Rate	Based on pre-qual term sheet from lender	3.50%
12	Maximum Affordable First Mortgage		\$124,222

Uses			
13	Purchase Price		\$125,000
	Closing Costs:		
14	Owner Title Insurance		\$332.50
15	Upfront Mortgage Insurance		\$1,648.50
16	Appraisal		\$475
17	Lender Title Insurance		\$425.20
18	Other Title Costs		\$925.00
19	Mortgage Recording Fee		\$250.00
20	Daily Interest		\$137.85
21	Parish Property Tax Reserve		\$225.00
22	Hazard Insurance		\$1,500.00
23	Loan Origination Fee		\$1,045.90
24	Other Charges		\$454.50
25	Total Closing Costs:		\$7,419.45
26	Total Uses		\$132,419.45

Sources			
27	First Mortgage	Should be no more than line 12	\$95,848.00
28	Owner Cash	1%	\$1,250.00
	Other:		
29	Lender Credit		\$350.00
30	Other 2		\$0.00
31	Total Non-HOME Sources		\$97,448

CmDv Sources and Uses Underwriting Calculations Form (continued, Attachment #5 – page 2 of 3)
Homebuyer Assistance Program (HAP)

Subsidy Calculation			
32	Gap	Total Uses less Total Non-HOME Sources	\$34,971
33	Maximum Amount of Assistance		\$30,000
34	Amount of Assistance	Amount to be provided by others	\$30,000
35	Additional Assistance Needed	If greater than \$0, buyer needs to find other funding sources or negotiate lower purchase price	\$4,971
	TOTAL AMOUNT NEEDED BY OWNER AT CLOSING		\$6,221

Balance Calculation for Sources and Uses			
Uses		Sources	
	125,000.00		95,848.00
	1,862.85		30,000.00
	3,908.10		350.00
	1,648.50		6,221.45
	\$132,419.45		\$132,419.45

Lender attest to completing the form above based on information collected on the Lender’s Fees Worksheet. A completed Lenders Fees Worksheet shall also be attached when submitted to CmDv office.

Form prepared by:

Lender

Date

Calculations approved by:

Community Development Program Manager

Date

CmDv Sources and Uses Underwriting Calculations Form (continued, Attachment #5 – page 3 of 3)
Homebuyer Assistance Program (HAP)

COMPLETED SAMPLE of LENDER FEES WORKSHEET to prepare SOURCES & USES

Your actual rate, payment, and cost could be higher. Get an official Loan Estimate before choosing a loan.

FEES WORKSHEET
Fee Details and Summary

Applicants:
Prepared By:

Application No:
Date Prepared:
Loan Program: FHA 30 Yr Fixed Rapides

This "Fees Worksheet" is provided for informational purposes ONLY, to assist you in determining an estimate of cash that may be required to close and an estimate of your proposed monthly mortgage payment. Actual charges may be more or less, and your transaction may not involve a fee for every item listed.

Total Loan Amount: \$ 95,848 Interest Rate: 3.500 % Term/Due In: 360 / 360 mths

Fee	Paid To:	Paid By: (Fee Split*)	Amount	PFC / F / POC
ORIGINATION CHARGES				
Processing Fee		Borrower	\$ 350.00	✓ ✓
Underwriting Fee		Borrower	\$ 550.00	✓ ✓
Tax transcripts/Data Verify		Borrower	\$ 35.00	✓ ✓
Courier Fee		Borrower	\$ 50.00	✓ ✓
Loan Documentation Fee		Borrower	\$ 25.00	✓ ✓
Employment Verification (if required by employer)		Borrower	\$ 35.90	✓ ✓
OTHER CHARGES				
16 Appraisal Fee		Borrower	\$ 475.00	✓
24 Credit Report Fee		Borrower	\$ 50.00	✓
24 Tax Service Fee		Borrower	\$ 89.00	✓
24 Flood Certification Fee		Borrower	\$ 15.50	✓ ✓
15 Up-Front Mortgage Insurance		Borrower	\$ 1,648.50	✓
24 Re-inspection fee (if needed)		Borrower	\$ 125.00	
24 Notary Fee		Borrower	\$ 65.00	✓
17 Lender's Title Insurance		Borrower	\$ 425.20	✓
18 Title - Abstract/Title Search		Borrower	\$ 300.00	✓
Title - Endorsements/Closing Protection Letter		Borrower	\$ 25.00	✓ ✓
Title - Title Examination Fee		Borrower	\$ 550.00	✓
Title - Attorney Courier Fee/Wire Fee		Borrower	\$ 50.00	✓ ✓
24 Pest Inspection Fee		Borrower	\$ 110.00	
19 Mortgage Recording Charge		Borrower	\$ 250.00	
20 Daily Interest Charges		Borrower	\$ 9.19 x 15 day(s)	\$ 137.85 ✓ ✓
22 Hazard Insurance Premium		Borrower	\$ 100.00 x 12 mth(s)	\$ 1,200.00
Hazard Insurance Reserves		Borrower	\$ 100.00 x 3 mth(s)	\$ 300.00 ✓
21 County Property Tax Reserves		Borrower	\$ 75.00 x 3 mth(s)	\$ 225.00 ✓
14 Owner's Title Insurance		Borrower	\$ 332.50	

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENT:	
Purchase Price (+)	125,000.00	Loan Amount (-)	95,848.00	Principal & Interest	430.40
Alterations (+)		Subordinate Financing (-)	30,000.00	Other Financing (P & I)	
Land (+)		Lender Credit	350.00	Hazard Insurance	100.00
Refi (incl. debts to be paid off) (+)				Real Estate Taxes	75.00
Est. Prepaid Items/Reserves (+)	1,862.85			Mortgage Insurance	62.25
Est. Closing Costs (+)	3,908.10			Homeowner Assn. Dues	
PMI, MIP, Funding Fee (+)	1,648.50			Other	
Total Estimated Funds needed to close				6,221.45	Total Monthly Payment
					667.65

* PFC = Prepaid Finance Charge F = FHA Allowable Closing Cost POC = Paid Outside of Closing
 ** B = Borrower S = Seller Br = Broker L = Lender TP = Third Party C = Correspondent
 Calyx Form - FEEWS_tld.fm (07/2018)

Release of Information Disclosure (Attachment #6)
Homebuyer Assistance Program (HAP)

BANK LETTERHEAD

As a potential homebuyer, I provide consent for the lending institution to share confidential information that I have provided them to the City of Alexandria Community Development Department. I further acknowledge that the sharing of information between the lending institution and Community Development is required to determine eligibility to participate in the HAP program in order to receive a gap funding towards the purchase of a home.

Both the lending institution and Community Development will use the utmost discretion in the handling of my private information.

Homebuyer signature

Date

Homebuyer signature

Date

Witness

Date

Lender

Date

Community Development Program Manager

Date

Income Eligibility Certification (Attachment #7)
Homebuyer Assistance Program (HAP)

Homebuyer(s) Name _____

Address _____

To the best of my knowledge, the undersigned Housing Loan Officer certifies that the homebuyer(s) listed above has/have a household size and income as shown below:

The homebuyer(s) reported household size is: _____ person(s).

The homebuyer(s) gross annual household income equals: \$ _____.

This means that the homebuyer(s) income is: % Percentage of Area Median Income _____ %

Household income for qualified applicants must be below 80% median income as determined by HUD's annual publication. The 2020 HUD Adjusted HOME Income Limits for Alexandria, Louisiana, effective July 1, 2020. If the applicant is applying for any year after 2020, please call the CmDv at 318-449-5074 for the most current limits).

# of people per household:	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30 % Income Limits:	\$12,250	\$14,000	\$15,750	\$17,500	\$18,900	\$20,300	\$21,700	\$23,100
Very Low Income:	\$20,450	\$23,400	\$26,300	\$29,200	\$31,550	\$33,900	\$36,250	\$38,550
60% Income Limits:	\$24,540	\$28,080	\$31,560	\$35,040	\$37,860	\$40,680	\$43,500	\$46,260
80 % Median Income:	\$32,700	\$37,400	\$42,050	\$46,700	\$50,450	\$54,200	\$57,950	\$61,650

These determinations are supported by documents contained in the Homebuyer(s) file that ranges from items supplied by the Homebuyer(s) and items supplied by employers and / or benefit providers.

Loan Officer's Signature _____

Date _____

Dependent Information (*Attachment #8* – page 1 of 3)
Homebuyer Assistance Program (HAP)

Lender: _____

Name of Purchaser: _____

Address: _____

Dependent #1 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)

Dependent #2 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)

Dependent Information (*continued, Attachment #8* – page 2 of 3)
Homebuyer Assistance Program (HAP)

Dependent #3 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)
-

Dependent #4 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)
-

Dependent #5 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)
-

Dependent Information (*continued, Attachment #8* – page 3 of 3)
Homebuyer Assistance Program (HAP)

Dependent #6 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)
-

Dependent #7 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)
-

Dependent #8 (Documentation included with Pre-qualification package)

Name of Dependent: _____

Relationship of Dependent: _____

Date of Birth of Dependent: _____ Age: _____

- Proof of Dependent: _____
- (3) Income Tax Returns _____ (Name showing on tax return)
 - School Records _____ (Address showing same as purchaser)
 - Birth Certificate _____ (only for a non-school age child)
 - Legal custody papers _____ (non legal dependent)
 - Social Security Letter _____ (Parent of purchaser or child with same address)
 - Other Source _____ (_____)

Statement of First Time Homebuyer Acknowledgment (*Attachment #9*)
Homebuyer Assistance Program (HAP)

I/We, _____,

Who reside(s) at _____,

Acknowledge that I/We have never owned a home or have not held title to a property within the last three years.

I/We, also acknowledge that I/We did not file income tax returns for the following listed year(s):

1. _____
2. _____
3. _____

Homebuyer signature

Date

Homebuyer signature

Date

Witness

Date

Lender

Date

WARNING!!

APPLICANT CERTIFICATION: The Applicant(s) certifies that all of the information furnished in support of this application, is true and complete to the best of the applicant(s) knowledge and belief. The applicant under the Penalty For False or Fraudulent Statement: U.S.C., Title 18, Sec. 1001, provides "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000 or imprisoned not more than five (5) years, or both".

The information requested below must be provided with respect to all individuals who are expected to live in the residence being financed. The information requested below must be provided in order to determine your eligibility for assistance under the income limits established by HUD for the City of Alexandria's Homebuyer's Assistance Program (HAP). This information will only be used to determine your eligibility under the income limits and will not be used for Mortgage Loan underwriting purposes. You must complete this form along with the Uniform Residential Loan Application (Form 1003) because certain sources of income may be included when determining income eligibility which you are not required to include when reporting your income for mortgage loan underwriting purposes.

Buyer's HAP Program Participation Qualification (Attachment #10)
Homebuyer Assistance Program (HAP)

COA LETTERHEAD

DATE: *Month Date, Year*

Participating Lender

Attn: *Bank Contact*

Address

City, State, Zip

RE: *Name of Applicant*

Address

Dear: *Bank Contact*

This is to confirm that the above referenced applicant has been approved for closing cost assistance under the City of Alexandria's Homeownership Assistance Program. The total amount approved is \$_____. The term of the deferred loan is _____ years at 0% interest with no monthly payments due.

This loan will be subject to the [Community Development Block Grant] or [HOME Investment Partnerships Program] program guidelines with recapture restrictions in the event the house is sold prior to the _____ year term. Any required payback amount will be prorated at a rate of \$_____ per year left on the term.

Sincerely,

Name
Community Development
Rehab Program Manager

Recapture Restrictions & Forgivable Mortgage Buy/Sell Agreement Addendum (*Attachment #11*) Homebuyer Assistance Program (HAP)

The City of Alexandria will provide a subsidy in the form of a forgivable mortgage loan to assist first-time homebuyers in acquiring a home. The recipient of HAP funds must be a low-income household and occupy the property as his or her principle residence. Upon sale of the property to a homebuyer, an affordability restriction will be filed with the Clerk of Court in a subordinate position for homebuyers.

If the homebuyer retains ownership of the property for the full period of affordability, the full amount of the forgivable mortgage loan will be forgiven. Upon the sale of the property by the homebuyer during the affordability period, any proceeds from the payment of the HAP forgivable mortgage loan and any excess proceeds will be used to assist another eligible homebuyer to obtain a home.

The following provision and definitions will apply when a property is sold during the affordability period:

1. When the net proceeds are sufficient to repay both the HAP investment and a fair return to the seller, the full HAP investment will be recaptured and the seller provided a fair return on his or her investment. Net proceeds are defined as the sales price minus loan repayments and/or closing costs. The fair return to the seller is the seller's prorated share of the homeowner's equity in the property (the initial investment, the value of major improvements and payment toward principal) based on the amount of time the seller occupied the property, after the HAP investment is satisfied.
2. When the net proceeds are not sufficient to repay the HAP investment and a fair return to the seller, the City will recapture the full HAP investment and any remaining funds will be used to repay a part of the seller's investment in the property. If the proceeds do not allow for the full repayment of the HAP investment, the City will forgive a prorated share of the HAP forgivable mortgage loan based on the amount of time the seller occupied the property during the affordability period and recapture the remaining amount from the net proceeds.
3. When the net proceeds are in excess of what is sufficient to repay both the full HAP investment and the fair return to the seller, the HAP investment will be recaptured and the seller's investment will be paid. The excess will be shared with the seller on a prorated basis, based upon the amount of time the seller occupied the property.

City Inspection Requirement for Buy/Sell Agreement Addendum (*Attachment #12*)
Homebuyer Assistance Program (HAP)

For FHA Loans and Conventional Insured Loans (*Attachment #13* – page 1 of 3)
(Code of Federal Regulations Sec. 982.401)
Homebuyer Assistance Program (HAP)

Name of Contact: _____

Phone: _____ Fax: _____ Email: _____

Buyer's Name: _____

Property Address: _____

The inspection by the City of Alexandria, Department of Community Development helps to ensure that the property meets the minimum qualifications for funding provided through the HAP program. Please read the following statements carefully.

We do not make guarantees, warranties, representations, or insure the future performance or condition of any inspected items. We do not inspect any item we cannot see in a normal inspection. We do not move furniture, rugs, paintings, or other furnishings. We do not uncover buried pipes. We cannot see items covered by wallpaper, flooring, repairs or remodeling that may hide evidence of prior damage or defects. We do not dismantle equipment or inspect component parts, such as HVAC and kitchen appliances.

A = Approved X = Not Approved

1. _____ Sanitary Facilities. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition. The dwelling must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).
2. _____ Food Preparation and refusal disposal. The dwelling unit must have a suitable space and equipment to store, prepare, and serve foods in a sanitary manner. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans). The dwelling unit must have an oven, and a stove or range, and a refrigerator of approximate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system. The dwelling must have a space for the storage, preparation, and serving of food.
3. _____ Space and Security. The dwelling unit must provide adequate space and security for the family. At a minimum, the dwelling must have living room, kitchen area, and a bathroom. The dwelling must have at least one bedroom or living/sleeping room for each two persons. Dwelling unit windows that are

Housing Quality Standards Inspection Check Sheet
For FHA Loans and Conventional Insured Loans (*continued, Attachment #13 – page 2 of 3*)
(Code of Federal Regulations Sec. 982.401)
Homebuyer Assistance Program (HAP)

accessible from the outside must be lockable. Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors which someone can enter or exit the dwelling unit.

4. _____ Thermal Environment. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate. The dwelling unit must not contain unvented rooms heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.
5. _____ Illumination and Electricity. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire. There must be at least one window in the living room and in each sleeping room. The kitchen area and the bathroom must have permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
6. _____ Structure and Materials. The dwelling unit must be structurally sound. The structure must not prevent any threat to the health and safety of the occupants and must protect the occupants from the environment. Ceiling, walls, and floors must not have any serious defects such as sever bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage. The roof must be structurally sound and weather-tight. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result air infiltration or vermin infestation. The condition and equipment or interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
7. _____ Interior Air Quality. The dwelling unit must be free of pollutants in the air levels that threaten the health of the occupants. The dwelling unit must be free from dangerous levels of air pollutants from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one operable window or other adequate exhaust ventilation.
8. _____ Water Supply. The water supply must be free of contamination. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.
9. _____ Lead-Based Paint performance requirements. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. 4851-4856), and

Housing Quality Standards Inspection Check Sheet
For FHA Loans and Conventional Insured Loans (*continued, Attachment #13* – page 3 of 3)
(Code of Federal Regulations Sec. 982.401)
Homebuyer Assistance Program (HAP)

implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part. A Lead Paint pamphlet will be provided to the applicant by the CmDv Program Manager.

10. _____ Access Requirements. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

11. _____ Site and Neighborhood. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood must not be subject to serious adverse environmental conditions, natural or manmade, septic tank back-ups or sewage hazards, mudslides, abnormal air pollution, smoke or dust, excessive noise, vibrations or vehicular traffic, excessive accumulations or trash, vermin or rodent infestation, or fire hazards.

12. _____ Smoke Detectors. Except as provided in paragraph (n) (2) or this Article, each dwelling unit must have at least one battery operated or hard-wired smoke detector, in proper working condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with the meet the requirements of the National Fire Protection Association Standards (NFOA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired person as specified in NFPA 74 (or successor standards). For units assisted prior to April 24, 1993, owners who installed battery operated or hard wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

CITY INSPECTOR Printed Name: _____

Signature: _____

Phone #: _____

Cell #: _____

Date Approved: _____

Date Disapproved: _____

Comments: _____

Formal Request for Approval (Attachment #14)
Homebuyer Assistance Program (HAP)

Date: _____

Lender: _____

Name: _____

Purchase Address: _____

Documents Check Sheet for Funding:

_____ Formal Request for Approval (Attachment #14)

_____ Request for HAP Assistance Check (Attachment #15)

_____ Current Verification(s) of Employment

_____ Uniform Residential Loan Application (Form 1003)

_____ Current Verification(s) of Deposit verifying down payment funds

_____ Estimated Good Faith Estimate (disclosing breakdown of assistance requested)

_____ Estimated Federal Truth-in-Lending Disclosure Statement (disclosing breakdown of assistance requested)

_____ Complete Appraisal and certified, by appraiser, Minimum Property Standards complete for insured mortgage program
OR

_____ Complete Appraisal on an uninsured mortgage program that includes an approved Housing Quality Standards inspection (Attachment #13) by a CmDv Housing Inspector.

.....
CITY USE ONLY: Complete package _____ Yes _____ No Package Approved _____ Yes _____ No

Items not included:

Reviewed By

Date

Request for HAP Assistance Check (Attachment #15)
Homebuyer Assistance Program (HAP)

Date: _____

Lender: _____ Phone: _____

Purchaser Name: _____

Purchase Address: _____

Below is a Breakdown of assistance required: (To be completed by Lender)

% _____	Median Area Income	\$ _____	Closing Cost
% _____	Allowable Assistance	\$ _____	Buy Down
\$ _____	Sales Price of Property	\$ _____	Down Payment
\$ _____	Appraised Value	\$ _____	Total Assistance Requested

MAKE CHECK PAYABLE TO: (Vendor(s) set up for your Mortgage Company)

Name: _____

Address: _____

Phone: _____ Tax I.D. #: _____

Check Will Be DELIVERED at closing by Community Development Rehab Program Manager

.....
CITY USE ONLY:

Approved by: _____

Title: _____ Date: _____

Processed by: _____

Title: _____ Date: _____

Amount Approved \$ _____ Closing Date: _____

Subsidy Participation Request Form (Attachment #16)
Homebuyer Assistance Program (HAP)

Key	Question:	Response:
1	Requesting Mortgage Consultant:	
2	Market (required geographic location):	Inside City limits of Alexandria
3	Agency Name:	City of Alexandria Community Development Department (CmDv)
4	Agency Contact / Program Manager (NOTE: personnel is subject to change. Call 318-449-5074 for verification)	Yvette Botts 318-449-5074 Yvette.botts@cityofalex.com
5	Subsidy Amount:	Max CDBG \$5,000.00
6	Use of Funds (Down Payment, Closing Cost, Prepays)	
7	Target Market: (% of AMI or other target):	
8	Homebuyer Training Required:	Yes, by HUD approve Counselor
9	Landlord Training Required:	N/A
10	Required Family Contribution:	
11	Housing & DTI Ratio Requirement from Provider:	
12	Period of Affordability:	5 years
13	Subsidy Repayment (if loan is not forgivable):	Forgivable if meets criteria
14	Closing Funds Issued by:	City of Alexandria at the time of closing
15	Can Subsidy be Layered:	Yes, but all other sources must be known before approaching CmDv
16	Is City of Alexandria CmDv willing to take third position?	No, second position only
17	Available Funds:	Max CDBG \$5,000 per qualified buyer
18	Source of Funding (HOME, CDBG, Private):	CDBG
19	Intake Process:	See Program Guidelines
20	Disbursement of Funds at Closing (cashiers check, wire)	Check
21	Is annual Monitoring Requirements?	Yes, CmDv will perform
22	Is default monitoring required by Lender?	Yes, during entire affordability period. If in default, Lender to notify CmDv
23	Is MOU required between CmDv & Lender?	Yes, see attached
24	Is Lender required to submit specific documents to CmDv To review prior to closing?	Yes, see Program Guidelines
25	Are Post-Closing Audits required by CmDv? If yes, how many years should files be retained? What documents should be maintained in the file?	Yes During entire affordability period See Program Guidelines
26	Is Lender required to submit specific documents to CmDv To review post closing?	Yes, settlement statement
27	CmDv to provide sample copy of CmDv Approval Letter	Yes, see Program Guidelines
28	Can subsidy be utilized with Conventional (Fannie Mae)?	Yes
29	Can subsidy assistance be layered?	Yes, but CmDv HAP assistance must be last assistance considered

Buyer Affidavit for Success Story Publication (*Attachment #17*)
Homebuyer Assistance Program (HAP)

I/We, _____,

Who reside(s) at _____,

authorize both City of Alexandria Community Development Department and the participating lending institution to disclose photograph, my name and/or address for stories related to successful participation in the Homebuyer Assistance Program.

I also agree that both City of Alexandria Community Development Department and the participating lending institution my use me as a reference for future first time homebuyers that may have questions about my experience with any and all facets of the program and its participants.

Homebuyer signature

Date

Homebuyer signature

Date

Witness

Date

Lending Institution

Date

Loan Officer

Date

Participating HUD Certified Lender Application (*Attachment #18*)
Homebuyer Assistance Program (HAP)

Name of Lender

Authorized Contact Person

Address

Email Address

City, State, Zip Code

Alternate Authorized Contact Person

Phone Number

Email Address

Fax Number

1. How many assisted loans is your organization anticipating using with HAP? _____ (Approximate #).
2. Has your organization completed the City of Alexandria Vendors list application? _____ Yes _____ No
The City of Alexandria will be unable to issue a check unless this is marked YES and copy is received. (Vendors List Application Attached)
3. A fully executed Memorandum of Understanding has been signed between your organization and the City of Alexandria shall be attached. (Obtain copy of MOU from CmDv Program Manager).
_____ Yes _____ No
4. HUD MORTGAGEE CERTIFICATION NUMBER # _____
(this number will be verified through the HUD office) Only HUD Certified Lenders are authorized to participate in HAP

My signature(s) acknowledge that I/We have read the Homebuyer's Assistance Program Manual (HAP) and understand the guidelines and assistance being offered.

Authorized Signature

Printed Name

Title

Printed Title

Witness

Date

Participating First Time Homebuyer Counselor / Instructor (*Attachment #19*)
Homebuyer Assistance Program (HAP)

Name of Lender

Authorized Contact Person

Address

Email Address

City, State, Zip Code

Alternate Authorized Contact Person

Phone Number

Email Address

Fax Number

1. How many years has your organization been a HUD Approved Housing Counseling Agency? _____
2. Has your organization completed the City of Alexandria Vendors list application? _____ Yes _____ No
The City of Alexandria will be unable to issue a check unless this is marked YES and copy is received. (Vendors List Application Attached)
3. HUD Approved Housing Counseling Agency ID NUMBER # _____
(This number will be verified through the HUD office) Only HUD Certified Counselors are authorized to provide First Time Homebuyer Training.

My signature(s) acknowledge that I/We have met the criteria as defined by HUD for the HOME Program regarding First Time Homebuyer training and counseling services.

Authorized Signature

Printed Name

Title

Printed Title

Witness

Date

END.