

City of Brockton

Brockton Redevelopment Authority
In partnership with
NeighborWorks Southern Mass

First Time Homebuyers Program (FTHP)

Michelle Chisholm – Brockton Redevelopment Authority
50 School Street
Brockton, MA 02301
Phone: (508) 586 – 3887
E-mail: mchisholm@brocktonredevelopmentauthority.com

To submit an application contact:

Cindy Pendergast – NeighborWorks Southern Mass
68 Legion Parkway
Brockton, MA 02301
Phone: (617) 770-2227 x46
E-mail: c.pendergast@nwsoma.org

FY2017





Brockton Redevelopment Authority

PROGRAM GUIDELINES

Our goal is to work with eligible first time buyers with the purchase of a 1-2 family residential property to increase homeownership in the City of Brockton.

- Income eligible first time homebuyers will be considered for a 0% interest-deferred payment loan equal to 3.5% of the purchase price (up to \$10,000) through the BRA secured by a Mortgage and Promissory note. In addition, NWSOMA may provide additional funds up to 25% of the amount provided by the City (up to \$2,500).

Eligibility Criteria:

1. Household income (all sources) must not exceed the following gross annual limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$46,000	\$52,600	\$59,150	\$65,700	\$71,000	\$76,250	\$81,500	\$86,750
80% of Area Median Income Limits Adjusted for Household Size. Source: HUD, June 6, 2016							

2. Purchase price cannot exceed \$341,000 for a single family residence or \$437,000 for a two-family residence; Program does not allow for the purchase of condos.
3. Property must be located in the City of Brockton, although applicant does not have to be a current resident of Brockton. Local residents are given priority.
4. Applicant and his/her spouse must be a first-time homebuyer;
5. Neither applicant nor his/her spouse can have a deeded interest in any property in the past three years;
6. All household members must be legal residents of the United States in order to receive Federal housing assistance;
7. Neither applicant nor his/her spouse can have more than \$25,000 in cash assets (excluding 401K's and other retirement accounts);
8. Applicants must qualify for a conventional or government sponsored fixed interest rate mortgage with a lender of their choice (visit www.buybrockton.org for a list of local participating lenders);
9. Applicants must contribute at least 1.5% of the purchase price to the down payment requirement for single family purchases and 2.5% for multi-family purchases;
10. Applicants must be the owner of the property after purchase;
11. Applicants must occupy the property as their principal residence;
12. Each applicant must complete an approved first time homebuyer training workshop and submit a First Time Homebuyer Program Certificate (visit www.chapa.org, www.buybrockton.org, and/or www.nwsoma.org if you need to sign up for a homebuyer class);
13. Applicants must agree to maintain property hazard insurance, make timely property tax payments, and perform general property maintenance and upkeep of the home;
14. Household housing expenses (principal, interest, taxes and insurance) must be between 20% - 38% of total household income for single family purchases and 20% - 35% for multi-family purchases;
15. Household total monthly debt obligations (housing expenses plus other household debt such as credit cards, car loans, etc.) cannot exceed 43% of total household income;
16. Property must meet federal, state and local housing quality standards and code requirements;

Application Process

PLEASE READ THE FOLLOWING CAREFULLY

STEP 1:

Once you have received a pre-approval letter from your lender, submit it along with the following documents to Cindy Pendergast at NeighborWorks (see front page for address).

1. **Completed FTHP Application (see page 5). Signed and dated.**
2. **Most recent 8-weeks consecutive paystubs from all employed household members.**
3. **Documentation of all other sources of income (award letters for social security, pension, disability, etc.)**
4. **Most recent 2-months consecutive bank statements for all bank accounts in the household.**
5. **Documentation of any additional assets (excluding retirement accounts).**

Once we confirm your income eligibility, we will issue you a conditional commitment letter.

STEP 2

As soon as you have a signed Purchase and Sale Agreement, submit it along with the following documents to Cindy:

1. **Two years of most recent Federal Income Tax form 1040**, complete copy with all schedules and W2's. If you are self-employed or incorporated, please provide financial statements for the past two years and Profit and Loss statement year to date.
2. **Three months of most recent rent receipts.**
3. **Loan Application (Form 1003).**
4. **Loan Estimate**
5. **First Time Homebuyer's Workshop Certificate for each borrower.** If purchasing a 2-family home applicant must also provide a Landlord Training Certificate (visit www.chapa.org and/or www.nwsoma.org if you need to sign up for a landlord training class).

STEP 3:

As soon as your income eligibility has been confirmed, Michelle from the Brockton Redevelopment Authority will contact you with next steps, including scheduling of the HOME inspection (see below).

HOME Inspection

The HOME Investment Partnerships Program (HUD) requires a HOME inspection of the home to certify that the property meets HUD's quality housing standards. The fee for this inspection (typically \$300) will be deducted from the City's loan amount.

At a minimum, the home must meet all applicable Federal, State and local housing quality standards and code requirements, and the home must not contain any specific deficiencies as those proscribed by HUD in the Uniform Physical Condition Standards inspection procedures as pursuant to 24 CFR 5.705.

You will be provided with a copy of the inspection report. If the property does not meet HOME condition standards, repairs will need to be completed before the City can issue the loan. After the repairs are made, we will re-inspect the property to certify that the repairs were made.

Properties built prior to 1978 must be visually assessed to identify and stabilize deteriorated paint.

OTHER PROGRAM INFORMATION

Household Size

Income limits are adjusted by household size. To ensure that all prospective homebuyers who receive assistance are eligible, the BRA will need to determine the size of the applicants' household. As such, all persons in the household will be counted (including non-related individuals) with the following exceptions: live-in aides; and children of live-in aids.

Household Income

The BRA will also need to determine the annual income of all eligible household members to ensure eligibility of all prospective homebuyers who receive assistance. When determining the household annual income, the BRA must count the income of **all** household members over the age of 18 who work (including nonrelated individuals) with the following exceptions: foster children; foster adults.

The BRA uses the Part 5 Section 8 rules for calculating gross income, found at 24 CFR Part 5 Subpart F, Income Limits. These rules specify what forms of income should be included and what should be excluded. The BRA will re-examine the household's income if more than six months has elapsed since eligibility was first determined. The BRA utilizes the *Technical Guide for Determining Income and Allowances under the HOME Program* to ensure compliance with household size determination.

Household Assets – (\$25,000 cap) What assets may be included?

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For Savings accounts use the current balance. For checking accounts, use the average 6-month Balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.
4. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.

What assets are excluded?

1. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
2. Assets not accessible to and that provide no income for the applicant.
3. Assets that are part of an active business.
4. Retirement accounts such as 401(k), 403(b), 457 and IRA accounts.
5. Government approved college savings plan.

Homebuyers should have some residual savings left over after closing especially on a very low down payment mortgage to borrowers with high total debt ratios.

City of Brockton
First Time Homebuyer Down Payment Assistance
PROGRAM APPLICATION

APPLICANT #1: (Circle) Mr. Mrs. Ms. How did you hear about program?: _____ Veteran ____ Yes ____ No

 First Name Middle Last Name Social Security Number Date of Birth

 Current Address City State ZIP Phone # Email Address

 Job (1) Employer Name Address Phone # How long at job

 Job(2) Employer Name Address Phone # How long at job

APPLICANT #2: (Circle) Mr. Mrs. Ms. _____ Veteran ____ Yes ____ No

 First Name Middle Last Name Social Security Number Date of Birth

 Current Address City State ZIP Phone # Email address

 Job (1) Employer Name Address Phone # How long at job

 Job(2) Employer Name Address Phone # How long at job

NEW PURCHASE PROPERTY INFORMATION (when available):

 Street # Street Name City Zip Code

Single-Family Multi-Family If Multi, # units _____

REALTOR: Contact Name Phone Cell Phone Email

LENDER: Contact Name Phone Cell Phone Email

HOUSEHOLD INFORMATION <i>(include yourself on this list)</i>		Relationship to Applicant	College Student Y/N	Annual Income
NAME:	D.O.B			
		self		

FOR STATISTICAL PURPOSES ONLY

Race (Enter appropriate number in household): ___ White/Non Hispanic ___ African American ___ Hispanic/Latino ___ Other

CURRENT HOUSING SITUATION: (Circle) OWN RENT LIVE W/ FAMILY OR FRIENDS

Monthly Rent Amount: \$ _____ Monthly Utilities Amount: \$ _____

LIST ALL CURRENT DEBTS:

	Lender	Minimum Monthly Payments	Balance
1. Car Loan	_____	\$ _____	\$ _____
2. Personal Loan	_____	\$ _____	\$ _____
3. Student Loan	_____	\$ _____	\$ _____
4. Credit Card	_____	\$ _____	\$ _____
5. Credit Card	_____	\$ _____	\$ _____
6. Other	_____	\$ _____	\$ _____
7. Other	_____	\$ _____	\$ _____

LIST ALL CURRENT ASSETS:

Interest Rate

- | | | |
|--|---------|----------|
| 1. Checking Account Balance | | \$ _____ |
| 2. Savings Account Balance | | \$ _____ |
| 3. Mutual Funds, Bonds & Annuities | _____ % | \$ _____ |
| 4. Certificates of Deposit | _____ % | \$ _____ |
| 5. Cash Value of Life Insurance Policies | | \$ _____ |
| 6. Retirement and Pension Funds (current cash value) | | \$ _____ |
| 7. Value of Stocks | | \$ _____ |
| 8. Cash value from Trust | | \$ _____ |
| 9. Investments such as jewelry, antiques cars, collections | | \$ _____ |
| 10. Inheritances, lottery winnings, capital gains, insurance settlements | | \$ _____ |
| 11. Mortgages or deeds held by applicants | | \$ _____ |

Has either the Applicant or Co-applicant owned Real Estate before? Yes ___ No ___

CERTIFICATION OF THE APPLICANT(S)

I, the undersigned, as part of my application for the City of Brockton First Time Homebuyer Down Payment Assistance Program in connection with a purchase of a 1-2 family home and an application for a mortgage loan from a lender of my choosing, do hereby state that I have carefully reviewed this document. I certify and acknowledge that this application, as completed above, will be relied on for determining my eligibility for a FTHP Loan. I acknowledge that a material misstatement knowingly made by me in this application for a down payment assistance loan will constitute a violation punishable by a fine and possible criminal penalties imposed by law, and will result in the cancellation or revocation of the Loan. I further acknowledge that any fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to my participation in the down payment assistance program is punishable by fine.

Each applicant must make the following certifications:

1. Both my spouse and I are first-time homebuyers. Neither one of us has had an ownership or interest in a residential property within the three years immediately preceding the date of this application. We do not and will not have an ownership interest in a residence prior to the date of the loan closing.
2. The Residence will be occupied and used as our principal place of residence and will not be used as an investment property, vacation home or recreation home.
3. We have received a copy of the FTHP Program Guidelines and understand these Guidelines.
4. All household members have received a copy of the pamphlet "Protect Your Family From Lead In Your Home".

APPLICANT #1

DATE

APPLICANT #2

DATE

***Incomplete applications will result in delay in processing**

We do business in accordance with federal fair lending laws. Under the federal fair housing act, it is illegal, on the basis of race, color, national origin, religion, sex, handicap, or familial status (having children under the age of 18), to: deny a loan for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling, or deny any loan secured by a dwelling; or discriminate in fixing the amount, interest rate, duration, application procedures or other terms or conditions of such a loan, or in appraising property. We are pledged to the letter and spirit of U.S. Policy for the achievement of Equal Housing Opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.