

**HCV Homeownership Program**

**Statement of Obligations**

This document will describe your responsibilities as a participant under the Homeownership Program offered by HABD.

If you fail to comply, through your action, you may be terminated from the Homeownership Program.

1. **Family Obligations:** You must comply with all Family Obligations of the Section 8 Housing Choice Voucher Program and/or the Homeownership Program
2. **Housing Counseling / Homeownership Education**: All Participants must satisfactorily complete a Housing Workshop provided by an approved Homeownership Counseling program prior to the commencement of home ownership assistance.
3. **Required Documentation:** It is the responsibility of the participant to provide to the Homeownership Coordinator the following items (after receiving bank approval)
	1. *Pre-Approval Letter/estimate fee sheet from Lender*
	2. *Homeowner Education / Workshop Certificate*
	3. *Purchase Agreement or Contract*
	4. *Home Inspection*
	5. *Preliminary Closing Disclosure / Final Closing documents and Disclosures*
4. **Mortgage Obligations:** You must comply with the terms of any mortgage incurred in the purchase of the property and must notify HABD Homeownership Manager or Section 8 Housing Specialist within five (5) days of receipt of any late payment, or default notices.
5. **Occupancy:** You must occupy the property as your principal residence. You may not transfer, sell or assign any interest in the property without prior written consent from HABD. You must notify the HABD in writing at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease or other form of alienation of the assisted property.
6. **Annual Certification:** A recertification will be completed annually, it at any time you have a chance in the household members or household income, you must report the changes in writing to HABD
7. **Refinancing:** You must notify the HABD in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain HABD written approval of such financing prior to executing any loan documents.
8. **Default:** In the event of a default on your mortgage obligation, you must cooperate with the HABD and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Section 8 Housing Choice Voucher Program.

 **HCV Homeownership Program**

Statement of Obligations

1. **Terms of Assistance:**  The maximum term of assistance will be as follows:
* **15 Year Mortgage Term - The HABD will assist for a maximum term of 10 years.**
* **20 or 30 Mortgage Term - The HABD will assist for a maximum term of 15 years.**
* **Elderly and Disabled Participants - Exempt; The HABD will pay for a maximum term of "LIFE OF LOAN"**

 **HABD has to approve the terms of the loan.**

*Any and all assistance provided by the Dept of HABD will be based on rules and regulations set forth by Housing and Urban Development (HUD) as well as participants eligibility. If participants fail to meet any of the requirements, does not comply with the terms of the program or If participant becomes illegible for assistance, the participant will be solely responsible for ALL future mortgage payments.*

 **10. Closing Date:**  The HABD must be contacted with the date

 of closing, no less than 10 days prior to the closing. (No Exceptions)

I acknowledge, by signing below, I attest that I have read and understand my obligations as a participant in the Homeownership Program (including Section 8 Housing Choice Voucher Program) and I agree to abide by these responsibilities. I understand that the HABD may terminate my homeownership assistance if I violate any of these obligations, but that I may request an informal review of any proposed notice of termination prior to becoming effective.

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Homeownership Program Participant Date

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Homeownership Manager Date



**HCV Homeownership Program**

Home Inspection Disclosure Form

HABD recommends that you exercise any right you have to obtain a home inspection (collectively “inspections”) A home inspection is a visual, non- intrusive examination of the systems/components of the home. A home inspection may not reveal any defeats that are not readily discoverable through visual, non-intrusive examination of the property. It may also not reveal building code violations. You may wish to ask your home inspector for a written contract detailing the scope of the inspection as well as an agreed upon fee for the inspection. The fee you pay to your home inspector is paid by you (the buyer) and is not a part of your closing cost. Such fees are due and payable at the time of inspection.

It is a requirement of the Homeownership Program offered through The HABD that you (the buyer) obtain a Home Inspection by a licensed Inspector and a copy of this report will be provided to the Homeownership Coordinator.

Upon completion of the Home Inspection, the HABD will perform an HQS (Housing Quality Inspection) to ensure the property meets HUD’s Housing Quality Standards. If for any reason the repairs are not completed to the satisfaction of the HQS Inspection, it will be at the discretion of the HABD to cease with any (or all) future mortgage assistance to the participant of the Section 8 Housing Choice Voucher program nor will the agency move forward with closing on any home loans and/or make any monthly mortgage payments to the Lender. Furthermore, the participant will be responsible for all liability and monthly mortgage payments if the home inspection fails and the participants chooses to move forward with the purchase of the home.

Once the Home Inspection has been completed by an Independent Home Inspector and HABD is sent the report, please allow up to 5 days to have the HABD inspection completed.

Please sign this document to indicate that you acknowledge and understand the Home Inspection regulation under the Homeownership Program offered by HABD.

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Homeownership Manager Date



**HCV Homeownership Program**

Disclosure Form

I understand that HABD does not provide any of the following assistance:

1. Financial Assistance toward purchase of home
2. Home Improvement, Renovations or Warranty services
3. Down Payment Assistance
4. Closing Cost
5. Finance purchases or hold 2nd mortgages
6. Legal Assistance or Advice

I acknowledge, by signing below, I attest that I have read and understand the above as a participant in the Homeownership Program (including Section 8 Housing Choice Voucher Program).

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Homeownership Manager Date



**HCV Homeownership Program**

Anti-Steering Disclosure

This disclosure is to ensure that HABD is complying with the requirements of the provisions of Regulation Z and to implement borrower protection mechanisms as required by Federal regulation. Regulation Z prohibits agencies from steering borrowers toward specific loans, credit transactions, advising, counseling, influencing and/or selecting specific banking institutions,

based on the fact that the originator will receive greater compensation if the borrower accepts that particular loan unless the loan is in the borrower’s interest

HABD nor any agents of this agency receive no compensation benefit and not any direct or proxy term of this transaction as a participant in the Homeownership Program.

I have expressed interest with applying for a home loan through the Homeownership Program and was provided with a list of Banking Lenders by the Homeownership Coordinator and this selection was made by me, I was not pressured, under duress or coerced into making this decision.

I selected the following bank/lender for the purpose of obtaining a mortgage loan:

**Please initial next to the selection**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bancorp South \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Valley Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Cadance Bank

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Renasant Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_ PNC Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_ First Horizon

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Compass BBVA \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Canopy Mortgage

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Homeownership Manager Date

**HCV Homeownership Program**

**Process**

* **Complete Homeownership Application & submit with all required documents.**
	+ Proof of Income (30 days)
	+ Pay Stubs/3 current Pay stub’s
	+ Child Support
	+ SSI/ Disability
	+ Retirement
* **Must meet Program Eligibility Requirements**
	+ Must be First-time Homebuyer
	+ Participant must attend First-time Homebuyer Education Workshop
	+ Must have acceptable rental history with current landlord
	+ Must meet income requirements
		- Employed – Monthly Income must be at least $1250. Participant must be employed for at least 12 consecutive months and work at least 30 hours a week. (Annual Income: $15,000)
		- Disabled or Social Security Income – Monthly Income must be at least $967 month. (Annual Income: $11,604)
	+ Must have credit score of at least 620 to qualify for financing of mortgage loan.
* **Pre-Approval:** Participant selects participating lenders under the Section 8 program
	+ Lender must also provide copy of Loan Estimate and Itemized Fee Worksheet
	+ Calculations will be completed by HABD to determine monthly amounts. Once this has been completed a letter will be provided to the Lender with this information. Please allow up to 5 days for this process to be completed.

HABD has to APPROVE the terms of the loan.

* **Update Voucher**: Meet with HABD Homeownership Manager and Section 8 Staff to update voucher from Rental to Homeownership.
	+ Participants must be under contract within 120 days
	+ Must sign Statement of Obligations forms
	+ Must provide forms to sign by Seller – Certification regarding Debarments and Suspension
	+ Must provide form to sign by Seller & Buyer and add with contract – Sales Contract Addendum
* Participant proceeds with Home Purchase Process including locating home, sign contract, pay earnest money, hire home inspector.

**HQS Inspection**: This will be done after the home has been selected. The HQS inspection is done by HABD. A copy of HQS inspection checklist is provided to participants. If repairs are required, they must be done before closing or HABD will not be able to move forward with mortgage assistance. This inspection is scheduled within 5 days of receiving the results of the independent inspection from the participant.

* **HABD Assistance:** The maximum term of assistance

will be as follows:

* **15-year mortgage loan - The HABD will pay for a maximum term of 10 years.**
* **20- or 30-year mortgage loan - The HABD will pay for a maximum term of 15 years.**
* **Elderly and Disabled Participants - The HABD will pay for a maximum term of the LIFE OF LOAN**

 **HABD has to approve the terms of the loan**

 *Any and all assistance provided by the HABD will be based on rules and regulations set forth by Housing and Urban*

*Development (HUD) as well as participants eligibility.*

 *If participants fail to meet any of the requirements, does not comply with the terms of the program or*

 *If participant becomes illegible for assistance, the participant will be solely responsible for ALL future*

 *mortgage payments.*

The Participant is required to turn in the following documents to the Homeownership Manager:

1. Approval Letter from Lender
2. Home Inspection Report
3. First-Time Homebuyer Education Certificate
4. Purchase Contract with Debarment Form & Sale Contract Addendum
5. Closing Disclosure
* **Closing**: It is requested that the Lender notify the Homeownership Manager once the closing date has been determined and/or if any changes are made regarding the loan for the Section 8 participant. A representative from Section 8 will have to be present at the closing and will need a copy of all documents related to the sale of the property. HABD must be contacted with the date of closing no less than 10 days prior to closing date.

(No Exceptions)

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Homeownership Manager Date

**If you have any questions or need further assistance, please feel free to contact Quiyayla Baker.**

**Quiyala Baker**

**Email: qbaker@habd.net**

**Phone#: 205-781-5356**

**Homeownership Manager**