

HOMEOWNERSHIP PROGRAM APPLICATION

For questions concerning the completion of this application, please contact:

New Lima – Housing For The Future
(419) 224-9881

Once the application packet is completed, please return this (via US Postal Service or in person) – along with the required documentation – **you may keep pages 1 – 8 for future reference:**

New Lima – Housing For The Future
(Office is located in the Shirley Daley Senior Village)
1003 West Spring Street
Lima, OH 45805

A \$20.00 non-refundable application fee is required when submitting your application. Only a cashier's check or money order will be accepted made payable to: New Lima – Housing for the Future

If the staff of New Lima is not available when you drop off the application, please leave the packet in an envelope in the drop slot located to the left of the garage door.

Required Documentation Checklist:

- _____ Completed Homeownership Application – *For all household members 18 or older*
- _____ 13 weeks of current/consecutive pay information (paystubs or payroll printout) – *For all adult household members*
- _____ Bank Verification(s) Form – *Complete top half only*
- _____ Social Security (Award Letter) – *(if applicable) For all applicable household members*
- _____ Job/Family Services (TANF) – *(if applicable) Verification of benefits printout*
- _____ Child Support – *(if applicable) Current printout showing last 12 months transactions (for each child)*
- _____ Birth Certificates - *Copies for each household members*
- _____ Investment or Retirement Accounts - *(if applicable) Current printout for each account w/balance&interest*
- _____ Other (specify): _____

For information on the homeownership classes, Wealth Prep program or if you are in need of assistance completing the attached application please contact, West Ohio Community Action Partnership (WOCAP), and a HUD Certified Housing Counselor will assist you:

West Ohio Community Action Partnership
540 South Central Avenue
Lima, OH 45804
(419) 227-2586

The First Home Lima down payment assistance program is a cooperative program of the City of Lima, West Ohio Community Action Partnership and New Lima-Housing For The Future.

Revised: 10/24/17- NL

FIRST HOME LIMA

New Lima-Housing for the Future
1003 West Spring Street
Lima, OH 45805
Phone: (419) 224-9881 Fax: (419) 224-2930

Dear Prospective Homeowner:

It is good to hear of your interest in becoming a homeowner in Lima!

First Home Lima is designed to help low-income households achieve their dream of homeownership by helping the first-time homebuyer accumulate funds for down payment and closing costs.

The enclosed information answers questions about the program. The Chart of Activities shows the steps needed to complete the First Home Lima down payment assistance program.

You must also complete a homeownership training program (after your application has been approved). At these classes you will learn about other housing opportunities as well. You can learn about the next class by calling the West Ohio Community Action Partnership (WOCAP) at (419) 227-2586.

Although it may look complicated, the program is very simple: you will be earning credits by doing many of the things a bank will require anyway before approving a loan. **The amount of down payment and closing cost assistance received will be based on household income level, debt to income ratio and the purchase price of the home. This amount will be determined after a purchase contract has been signed.** If you live in the house for 5 years, you will not need to repay this loan from the City of Lima.

After reviewing the information, fill out the enclosed application packet in its entirety (if a question is not applicable to your situation – answer with N/A – avoid leaving blank spaces), collect the required documents and return the packet along with a **\$20 non-refundable application fee** (cashier's check or money order made payable to New Lima – Housing for the Future) to:

First Home Lima
New Lima - Housing For The Future
1003 West Spring Street
Lima, OH 45805

After reviewing the application and verifying your income, we will inform you by mail whether your application has been approved. At that time we will also be sending you more detailed information about how you can begin to earn *First Home Lima* down payment assistance. If you have questions, feel free to give me a call at (419) 224-9881.

Application processing times vary depending on the accuracy of the information and completion of the application packet. Average processing times are 3 weeks.

Sincerely,

Scott M. Frenger
Scott M. Frenger
Executive Director, Housing Loan Originator
New Lima-Housing For The Future



First Home Lima

A program to help the first-time homebuyer in Lima

Thank you for your interest in *First Home Lima*.

By applying for the program, you are expressing a willingness to work long and hard to become a homeowner:

- You will be attending a home ownership training program to learn more about what it takes to become a homeowner.
- You will be building your credit history by paying your rent and utilities on time and working to correct any credit problems you may have.
- You will be regularly saving money in a designated savings account.
- You will be doing other things that help you learn about your neighborhood such as attending neighborhood meetings and volunteering to help others.
- And while you are doing these things, **you will be completing activities** (11 mandatory plus 2 electives) in order to qualify for down payment and closing cost assistance.

The following pages answer some additional questions you may have.

You have taken the first steps on the path toward homeownership. The next step is to fill out the application and return it as soon as possible.

After your application has been approved, West Ohio Community Action Partnership (WOCAP) will contact you to sign up for the next homeownership training program. If your application is not eligible for *First Home Lima* due to insufficient income or credit issues, you may be eligible for the WOCAP Wealth Prep program to repair credit. If this should apply, WOCAP will contact you about this program.

Whether it takes you a few months or a few years, we wish you the best and are always available to help you along the way.

Rev June 15, 2017 - NL

QUESTIONS AND ANSWERS ABOUT *FIRST HOME LIMA*

Q. *How does this program help me become a homeowner?*

- A. It provides the information you need to obtain a loan and helps you earn *First Home Lima Credit* by completing activities that will help you with down payment and closing costs. For more information about *First Home Lima Credit*, see the attached **First Home Lima Credits - Chart of Activities**.

Q. *Who is eligible to participate in the program?*

- A. One must meet the following requirements:
1. Meet the minimum credit score requirement – *call for score requirement*
 2. Annual household income less than 80% of area median family income
 3. Meet the definition of a first-time homebuyer

Q. *What are the income limits for this area?*

- A. The income guidelines for 2018 by family size are:

1 - \$35,150	5 - \$54,200
2 - \$40,150	6 - \$58,200
3 - \$45,150	7 - \$62,200
4 - \$50,150	8 - \$66,200

Q. *What is the definition of a "first-time homebuyer"?*

- A. The City of Lima defines a first-time homebuyer as **someone who has not owned a home during the past 3 years**.

Even if you owned a home during the past 3 years, you may be considered a first-time homebuyer if you are...

1. Someone meeting the definition of a "displaced homemaker" or "single parent".

A **displaced homemaker** is an adult that has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family and is unemployed or underemployed and experiences difficulty in obtaining or upgrading employment.

A **single parent** is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or is pregnant.

2. Someone who lives in manufactured housing not permanently affixed to a foundation.
3. An owner-occupant of a home not feasible for renovation.
4. An individual or continuing married couple who holds partial title, and are transferring your interest to another party. Income received in that transaction would be counted as an income asset, but that applicant would qualify as a first-time homebuyer.

i) If that applicant held partial title and lived in the property, it is still seen as partial title, and therefore could be eligible as a first-time homebuyer.

Q. Are there any restrictions on which home I can buy with the help of this program?

- A. Yes, the house you purchase under this program...
1. Must be located within the City limits of Lima.
 2. Cannot be occupied by a renter at the time the offer is made to purchase the house. Federal regulations do not allow the renter to be involuntarily displaced. Also because of federal relocation regulations, the owner-occupant who sells a property must be informed of the fair market value of the property and that the property will not be purchased unless the seller voluntarily waives any relocation rights.
 3. Cannot be located in a designated flood plain or wet lands parcel. If it is located in an historic district or has historic significance, the buyer must agree to meet the conditions regarding any rehabilitation or painting in the present or the future.
 4. Must meet the City's property maintenance standards. Before an offer is made, the City must inspect the house for any property maintenance violations. The City will notify both the seller or seller's Realtor and you of any violations. ALL violations must be corrected prior to the closing or City funds will not be available.
 5. Must pass a Visual Assessment for deteriorated paint on the first inspection if the house was built prior to 1978.
 6. The value of the property cannot exceed \$118,000 for a one-family house and \$151,000 for a two-family house.
 7. First Home Lima down payment funding can only be approved if the monthly mortgage and housing costs (insurance, mortgage and utilities) for the new home purchase do not exceed 30% of current gross household income.

Q. Are there any other requirements after I purchase a house under this program?

- A. Because HUD wants federal funds to benefit low-income households, the property is subject to recapture requirements for a period of 5 years. These restrictions are enforced through a promissory note and mortgage. There are no resale restrictions after 5 years.
- B. Homeowner's insurance must be purchased and maintained for 5 years. The City of Lima will verify this each year by requesting a copy of your insurance policy as well as proof of residency.
- C. You must live in the home for 5 years or repay the loan.

Q. Is this a loan or a grant?

- A. It is a loan for the amount given for down payment and closing costs. But if you live in the house for 5 years you will not need to repay the loan. For each year you live in the house, 20% of the loan from the City of Lima is forgiven. If you sell, convey or transfer the property the balance of the loan is due in full. In case of a default on the loan (renting it out or it is no longer your primary residence) the original amount of the loan is due in full.
- B. This is a one-time per person loan opportunity as defined by "First Time Homebuyer" (see definition).

Chart of Activities

	ACTIVITY	ACCOMPANYING DOCUMENTATION - NEEDED WITH VERIFICATION SHEET	DATE COMPLETED	
Mandatory Activities (All <u>must</u> be completed)	1	Complete application and submit to New Lima. Be accepted into the program.	N/A	
	2	Meet individually with an approved home ownership advocate or Housing Counselor at least 1 time per month while enrolled in the First Home Lima program.	Certificate signed by approved advocate or class instructor – this will be the last credit the client receives before closing – as they will be meeting with you up until their closing	
	3	Successfully complete the Home Ownership Training program offered by WOCAP.	Certificate of successful completion signed by official.	
	4	Completion of a monthly balanced budget with WOCAP.	Certificate of completion signed by official.	
	5	Minimum \$1000 in Designated Savings required. Money can be used toward closing only with verification of use. Early withdrawal for use other than towards closing costs will void credit issued for this mandatory activity.	Copies of saving account statements – Verification sheet needs signed by the banking representative.	
	6	Secure current credit report and have personal review with home ownership counselor or lender.	Form signed by counselor or lender.	
	7	Pre-qualification/pre-approval meeting with lender.	Form signed by lender.	
	8	Attend home maintenance class offered by New Lima – Housing For The Future.	Certificate signed by class instructor.	
	9	Submit & have approved home maintenance plan.	Form signed by New Lima – Housing For The Future instructor.	
	10	Attend Financial Literacy class offered by West Ohio Community Action Partnership (3-day session)	Form signed by class instructor.	
	11	Attend a foreclosure prevention workshop/class.	Form signed by instructor.	
Elective Activities (Choose 2)	12	Pay rent on time for 6 consecutive months as determined by rental agreement.	Verification form signed by landlord or copies of receipts and lease.	
	13	Pay utilities on time for 6 consecutive months.	<u>Copies of utility bills for time period showing no past due amounts</u> – client may choose what utility they would like to present for activity credit	
	14	At same job continuously for 6 months.	Copies of pay stubs from beginning and end of time period – or a letter on company letterhead stating beginning dates of employment – needs to be signed by HR or company official .	
	15	Attend neighborhood association meetings.	Form signed by officer of neighborhood group.	
	16	Volunteer labor through approved programs such as Habitat for Humanity, LACNIP, neighborhood associations or community service projects sponsored by schools, churches or non-profit organizations.	Sign up for program with agency prior to working. Signature of project official.	

Additional down payment assistance funds available to qualified buyers:

Purchase a home from New Lima Housing for the Future; or a home from Habitat for Humanity.	Up to \$4000 in additional down payment funds will be made available after mandatory/elective activities have been completed.	
---	---	--

About the Consumer Financial Protection Bureau


The Consumer Bureau is focused on making the consumer financial markets work for families by helping consumers to take more control over their financial lives. We are working to foster a marketplace:

- Where consumers can see prices and risks up front and can easily compare products
- Where financial service providers can't build a business model around unfair, deceptive, or abusive practices
- That works for all consumers, responsible lenders, and the economy as a whole

Submit a complaint

If you believe you have been discriminated against, you can file a complaint with the Consumer Bureau by visiting:

 consumerfinance.gov

 complaint line
(855) 411-CFPB (2372)

 TTY/TDD
(855) 729-CFPB (2372)

Tell us your story

Whether or not you file a complaint, you can help us protect consumers and create a fairer marketplace by telling us about your experience. Visit our website and look for **Tell Your Story** under the Participate tab.

Join our social networks

 facebook.com/cfpb

 twitter.com/cfpb

consumerfinance.gov

Know Your Rights: Credit Discrimination is Illegal

Credit discrimination is illegal

The Equal Credit Opportunity Act makes it illegal to base credit decisions on:

- Race
- Religion
- Marital status
- Color
- National origin
- Exercising in good faith your rights under the Consumer Credit Protection Act
- Receipt of any sort of public assistance
- Sex
- Age (as long as you are old enough to enter into a contract)

This law applies to all forms of credit including:



Car loans



Credit cards



Home loans



Overdraft protection programs



Student loans

Protect yourself

Do your research. Shop around.

Learn about the various features and downsides of the financial product you want. Research the current interest rates. Compare products from several lenders.

Know your credit history. Creditors will make decisions based on your credit history. Be sure there are no mistakes or missing items in your credit reports. Get a free copy of your credit report from each of the three biggest consumer reporting agencies every 12 months. Visit AnnualCreditReport.com for your free credit reports.

Ask questions. Don't focus only on your monthly payment. Be sure you understand the rates and fees you will pay over the long run.

Stay in control. Your lender shouldn't make you feel rushed, or unnecessarily delay action on your application.

Don't sign until you're satisfied that the credit product works for you.

Watch for warning signs

Credit discrimination often happens behind closed doors, which makes it hard to spot. But there may be warning signs of discrimination or other illegal practices.

Look for warning signs such as:

- You are treated differently in person than on the phone.
- You are discouraged from applying for credit.
- You hear the lender make negative comments about race, national origin, sex, and other protected groups.
- You are refused credit even though you qualify for it.
- You are offered credit with a higher rate than the one you applied for, even though you qualify for the lower rate.
- You are denied credit, but not given a reason why or told how to find out why.
- Your deal sounds too good to be true.
- You feel pushed or pressured to sign.

MONTHLY INCOME INFORMATION

Please list gross income per month from all sources for all adults who are not a dependent:

	Applicant	Co-Applicant
Employment	\$ _____	\$ _____
Social Security	\$ _____	\$ _____
Retirement	\$ _____	\$ _____
Child Support	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
Other _____	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____

ASSETS

Please list items of value that you own.
(Provide complete top half of the bank verification with your bank info):

Checking Account	\$ _____
Savings Account	\$ _____
Automobiles owned	\$ _____
Real Estate	\$ _____
Stocks/Bonds/M. Funds	\$ _____
Retirement Accounts	\$ _____
	\$ _____
TOTAL ASSETS	\$ _____

MONTHLY HOUSING EXPENSE

Rent	\$ _____
Insurance	\$ _____
Utility Costs:	
Gas	\$ _____
Electric	\$ _____
Water/Trash	\$ _____
TOTAL	\$ _____

LIABILITIES

Account Name	Monthly Payment	Balance
Automobile loans:		
_____	\$ _____	\$ _____
Charge/Installment Accounts		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Real Estate Loans		
_____	\$ _____	\$ _____
Child Support (payments only)	\$ _____	\$ _____
Other		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
TOTAL MONTHLY PAYMENTS	\$ _____	

BANKRUPTCIES & JUDGMENTS

Have you ever filed bankruptcy?
 Yes No
 If Yes, when _____

Do you have any current judgments against you?
 Yes No

I/we understand the information contained on this application form will be used in determining my/our eligibility for home buyer assistance as a first-time homebuyer and hereby certify the information is true and correct to the best of my/our knowledge and belief. I/we have reviewed and understand the program requirements.

I/we authorize the City of Lima and/or New Lima – Housing For The Future Lima to release to or request from any individual, agency or organization information relating to my/our participation in the first-time homebuyers program (personal identity, employment, income and assets, medical and child care allowances/income, background screenings, and/or rental and credit history. A copy of this authorization and release shall have the same force and effect as the original.

Signature of Applicant(s) _____ Date _____
 _____ Date _____

A cooperative program of the City of Lima, New Lima – Housing For The Future and West Ohio Community Action Partnership (WOCAP)

Return application to First Home Lima, New Lima – Housing for the Future 1003 West Spring St, Lima, OH 45805

Rev June 15, 2017 - NL

Authorization for credit report

I authorize the City of Lima/New Lima – Housing For The Future to request my credit report for use in the First Home Lima program.

NAME _____

ADDRESS _____

SOCIAL SECURITY # _____

DATE OF BIRTH _____

SIGNATURE _____

DATE _____

NAME _____

ADDRESS _____

SOCIAL SECURITY # _____

DATE OF BIRTH _____

SIGNATURE _____

DATE _____

Bank Account Verification

To: Name: _____ Address: _____ _____ _____ Phone: _____ Fax: _____	From: Name: <u>FHL/New Lima – Housing For The Future</u> Address: <u>1003 West Spring Street</u> <u>Lima, OH 45805</u> _____ Phone: <u>419-224-9881</u> Fax: <u>419-224-2930</u>
--	--

RE: Name: _____ SSN: _____	Address: _____ _____ _____
---	----------------------------------

Release: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances that would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent attached to a copy of this consent.

Applicant / Resident _____ Date

***** BANK/INVESTMENT COMPANY MUST COMPLETE THE BOTTOM HALF *****
ONLY FORMS SENT BY THE NEW LIMA OFFICE DIRECTLY WILL BE CONSIDERED A VALID VERIFICATION

The requested information in this verification of Asset information is for confidential use of the City of Lima, Ohio, and its agents in processing for the *First Home Lima* application. We appreciate your cooperation in supplying the required information requested below if you have questions; please call New Lima – Housing For The Future (Agent for the City of Lima, Ohio) – (419) 224-9881. Our return fax number is (419) 224-2930.

Information Being Requested:

<u>Checking Account(s)</u>	<u>Average 6</u>	<u>Date Account</u>	<u>Annual Interest</u>
<u>Account Number(s)</u>	<u>Month Balance</u>	<u>Opened</u>	<u>Rate</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

<u>Savings Account / Certificate Of Deposits</u>		<u>Present</u>	<u>Annual</u>	<u>Withdrawal</u>	<u>Date</u>
<u>(CD)/Individual Retirement Account (IRA)/Mutual Funds</u>		<u>Account</u>	<u>Interest</u>	<u>Penalty</u>	<u>Account</u>
<u>Type of</u>	<u>Account Number(s)</u>	<u>Balance(s)</u>	<u>Rate</u>	<u>Penalty</u>	<u>Opened</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Name / Title of Person Supplying Information _____ Firm / Organization

Signature _____ Date

Phone # _____ Fax # _____ E-mail _____

Bank Account Verification

To: Name: _____ Address: _____ _____ Phone: _____ Fax: _____	From: Name: <u>FHL/New Lima – Housing For The Future</u> Address: <u>1003 West Spring Street</u> <u>Lima, OH 45805</u> Phone: <u>419-224-9881</u> Fax: <u>419-224-2930</u>
---	---

RE: Name: _____ SSN: _____	Address: _____ _____ _____
---	----------------------------------

Release: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is no older than 12 months. There are circumstances that would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent attached to a copy of this consent.

 Applicant / Resident _____ Date

***** BANK/INVESTMENT COMPANY MUST COMPLETE THE BOTTOM HALF *****
ONLY FORMS SENT BY THE NEW LIMA OFFICE DIRECTLY WILL BE CONSIDERED A VALID VERIFICATION

The requested information in this verification of Asset information is for confidential use of the City of Lima, Ohio, and its agents in processing for the *First Home Lima* application. We appreciate your cooperation in supplying the required information requested below if you have questions; please call New Lima – Housing For The Future (Agent for the City of Lima, Ohio) – (419) 224-9881. Our return fax number is (419) 224-2930.

Information Being Requested:

<u>Checking Account(s)</u>			
<u>Account Number(s)</u>	<u>Average 6 Month Balance</u>	<u>Date Account Opened</u>	<u>Annual Interest Rate</u>
_____	_____	_____	_____
_____	_____	_____	_____

<u>Savings Account / Certificate Of Deposits (CD)/Individual Retirement Account (IRA)/Mutual Funds</u>				
<u>Type of Account</u>	<u>Account Number(s)</u>	<u>Present Account Balance(s)</u>	<u>Annual Interest Rate</u>	<u>Date Account Opened</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

 Name / Title of Person Supplying Information _____ Firm / Organization

 Signature _____ Date

 Phone # _____ Fax # _____ E-mail _____

Statement of Understanding

I/We _____ agree that I/we have been informed that if I/we am/are found to be ineligible for the City of Lima’s Down Payment Assistance program, I/we am/are still eligible to participate in West Ohio Community Action Partnership’s (WOCAP’s) homeownership classes and one-on-one counseling.

My/Our signature(s) below states that I/we have been informed of my eligibility to participate in WOCAP’s Homeownership program.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

Authorized Agency Signature _____ Date _____