

FIRST HOME LIMA

Down Payment Assistance Application

To ensure your application is processed as quick as possible:

- **Complete all of the application pages:**

Check your completed application over, be sure every question is answered and all signatures are complete with dates

- **Attach all documentation to the application:**

Review the required documentation on the next page and attach all of the documents pertaining to your individual situation

- **Any household members, age 18+, must be included on the application as a co-applicant and sign the application and accompanying sheets**

Applications submitted incomplete or without the required documentation will be returned by mail for edit and resubmission which delays processing times

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 1-7 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

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:

- _____ Lender Pre-Approval Letter
- _____ Completed Homeownership Application – *For all household members 18 or older*
- _____ 9 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 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: March 1, 2023

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 West Ohio Community Action Partnership (WOCAP) at (419) 227-2586.

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. Applicants must be pre-approved by a lender and for the First Home Lima program **before** entering into a real estate purchase agreement.

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 to us at the address listed below:

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



Rev. March 1, 2023

First Home Lima

A program to help the first-time homebuyer in Lima

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

By applying and being approved for the First Home Lima Down Payment Assistance program, you are expressing a willingness to work towards your goal of becoming a first-time home owner:

- You will be attending a home ownership training program to learn more about what it takes to become a homeowner
- You will be attending a home repair and maintenance training to learn more about how to maintain your home
- You will be regularly saving money in a designated savings account

The following pages answer some additional questions you may have.

You have taken the first steps on the path toward homeownership by obtaining pre-approval from a lender! The next step is to fill out the down payment assistance 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.

We wish you the best and are always available to help you along the way.

Rev March 1, 2023

QUESTIONS AND ANSWERS ABOUT *FIRST HOME LIMA*

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

A. The First Home Lima program provides education to prospective first-time homebuyers as well as linkage to down payment assistance funds

Q. Who is eligible to participate in the program?

A. One must meet the following requirements:

1. Be pre-approved for a mortgage with a lender
2. Looking to purchase a home within the City of Lima
2. Annual household income less than 80% of area median family income
3. Meet the definition of a first-time homebuyer
4. Applicants may not have already entered into a real estate purchase contract before applying for the First Home Lima down payment assistance program

Q. What are the income limits for this area?

A. The maximum gross income limit guidelines for 2023 - by family size are:

| | |
|--------------|--------------|
| 1 - \$43,900 | 5 - \$67,750 |
| 2 - \$50,200 | 6 - \$72,750 |
| 3 - \$56,450 | 7 - \$77,750 |
| 4 - \$62,700 | 8 - \$82,800 |

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.

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. 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 \$147,000 for a one-family house and \$188,000 for a two-family house.
 7. First Home Lima down payment funding can only be approved if the monthly mortgage and housing costs (mortgage, interest, PMI, escrow) 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 |
|---|--|--|-------------------|
| 1 | Complete application and submit to New Lima. Be accepted into the program. | N/A | |
| 2 | Successfully complete the Home Ownership Training program offered by WOCAP. | Certificate of successful completion signed by official. | |
| 3 | Completion of a monthly balanced budget with WOCAP. | Certificate of completion signed by official. | |
| 4 | 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. | |
| 5 | Attend home maintenance class offered by New Lima – Housing For The Future. | Certificate signed by class instructor. | |
| 6 | Submit & have approved home maintenance plan. | Form signed by New Lima – Housing For The Future instructor. | |

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 | |
|--|--|--|

HOME BUYER ASSISTANCE APPLICATION

Have you already entered into a real estate purchase contract? Yes ___ No ___

If yes, you are ineligible for the First Home Lima program. Applicants must be approved for the First Home Lima program **before** entering into a real estate purchase agreement. Additionally, to be eligible for the First Home Lima program you must provide proof of being lender pre-approval with your application.

Are you currently working with or looking to utilize home purchase programs available through Habitat for Humanity or Allen Metropolitan Housing Authority? Yes ___ No ___

Applicant

Last Name
First
Initial
Date of Birth
Social Security #

Ethnicity: Hispanic Non-Hispanic

Race: Black or African American Asian Native Hawaiian or Pacific Islander

American Indian or Alaskan Native White

Handicap: Yes No **Sex:** Male Female **Full-Time Student:** Yes No

Address

Street

City
State
Zip
Home Phone
Cell Phone
Work Phone

I/We have lived at this address since _____

Month & Year
Email Address

Co-Applicant

Last Name
First
Initial
Date of Birth
Social Security #

Ethnicity: Hispanic Non-Hispanic

Race: Black or African American Asian Native Hawaiian or Pacific Islander

American Indian or Alaskan Native White

Handicap: Yes No **Sex:** Male Female **Full-Time Student:** Yes No

Other Household Members

| | Name | Age | Sex |
|-------|-------|-------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

OWNING A HOME

Have you owned a home during the previous 3 years? Yes No

If Yes, Do you meet the definition of a "displaced homemaker" or "single parent"? Yes No

Do you live in manufactured housing not permanently affixed to a foundation? Yes No

Are you the owner-occupant of a home that cannot be feasibly renovated? Yes No

EMPLOYMENT INFORMATION

| | Applicant | | Co-Applicant |
|---------------------|-----------|-------|--------------|
| Occupation: | _____ | _____ | _____ |
| Employer's Name: | _____ | _____ | _____ |
| Employer's Address: | _____ | _____ | _____ |
| Years employed: | _____ | _____ | _____ |

If you have more than one job, please provide the information on a separate sheet of paper

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 | | |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |

BANKRUPTCIES & JUDGMENTS

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

Do you have any current judgments against you?
 Yes No

TOTAL MONTHLY PAYMENTS \$ _____

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 applications to New Lima – Housing for the Future 1003 West Spring St, Lima, OH 45805****

Rev March 1, 2023

Bank Account Verification

To:

Name: _____

Address: _____

Phone: _____ Fax: _____

From:

Name: FHL/New Lima – Housing For The Future

Address: 1003 West Spring Street

Lima, OH 45805

Phone: 419-224-9881 Fax: 419-224-2930

RE:

Name: _____ Address: _____

SSN: _____

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:

Checking Account(s)

| Account Number(s) | Average 6 Month Balance | Date Account Opened | Annual Interest Rate |
|-------------------|----------------------------|------------------------|-------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Savings Account / Certificate Of Deposits
(CD)/Individual Retirement Account (IRA)/Mutual
Funds

| Type of Account | Account Number(s) | Present Account Balance(s) | Annual Interest Rate | Withdrawal Penalty | Date Account Opened |
|--------------------|-------------------|----------------------------------|----------------------------|-----------------------|---------------------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

Name / Title of Person Supplying Information

Firm / Organization

Signature

Date

Phone #

Fax #

E-mail

Bank Account Verification

To:

Name: _____

Address: _____

Phone: _____ Fax: _____

From:

Name: FHL/New Lima – Housing For The Future

Address: 1003 West Spring Street

Lima, OH 45805

Phone: 419-224-9881 Fax: 419-224-2930

RE:

Name: _____ Address: _____

SSN: _____

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.

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| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Savings Account / Certificate Of Deposits
(CD)/Individual Retirement Account (IRA)/Mutual
Funds

| Type of Account | Account Number(s) | Present Account Balance(s) | Annual Interest Rate | Withdrawal Penalty | Date Account Opened |
|--------------------|-------------------|----------------------------------|----------------------------|-----------------------|---------------------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

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 _____