

OWN IN TAYLORSVILLE Application Instructions

NOTE: Because 'Own in Taylorsville' receives a limited number of grants each year and is a first-come first-serve program, please contact CDC for current availability of funds before applying for grant.

1. To be considered an Applicant for the Own in Taylorsville Program you must fully complete and return to the CDC an Application packet. Please note that the applicant is responsible for selecting the property they wish to purchase within the eligible areas (see Eligibility Criteria). A complete application includes:
 - A. Completed and signed Application Form
 - B. Seller Affidavit attesting that purchasing the selected property does not lead to displacement of any current tenants.
 - C. Copy of applicant's Real Estate Purchase Contract with Seller.
 - D. Copy of applicant's previous year's tax return. If there are other wage earners in your household, their tax returns must also be submitted. Co-borrowers tax returns must also be submitted. (If applicant has not filed a previous year's tax return, then they must submit documentation regarding their current income (current income must meet federal guidelines) and a letter stating why there was no tax return filed for previous year.)
 - E. Signed and notarized First Time Homebuyer's Affidavit. (If a homebuyer has not previously owned a home they are considered a first-time homebuyer. If a homebuyer has previously owned a home in the past they may still be able to qualify as a first-time homebuyer. Because the definition of a First Time Homebuyer is changed from time to time, please contact our office if you need clarification of the definition.)
 - F. Identification Documentation (Accepted documentation will be a copy of birth certificate, passport, naturalization certificate, resident alien card or valid Utah driver's license)

NOTE: The CDC must be informed of any participation by a co-owner, co-borrower or co-signer that will be participating in the purchase of the home whose name does not appear on the initial Own In Taylorsville application. This must be done in writing, either by a letter from the applicant or the completion a document available in our office. The CDC will need to know their name, relationship to applicant, and in what capacity they will be participating in the purchase. The CDC must be informed and approve of their participation before closing.

2. Upon receipt, review and approval of your submitted application packet, the CDC will issue a forty-five day Letter of Commitment entitling you to receive a five thousand dollar (\$5,000.00) loan/grant. Within the forty-five day period, the applicant must submit the following documents:
 - A. The signed, original Letter of Commitment
 - B. A copy of the Preliminary Title Report stating property appears free and clear for sale to Applicant.
 - C. The completed Lender Affidavit which states the lender agrees to the terms of the Taylorsville Program.
 - D. The completed Preliminary Credit Approval form from the Lender to the CDC, stating that the Applicant has received preliminary credit approval and information regarding verification of current income.
 - E. Copy of Real Estate Appraisal (In some circumstances you may be requested to provide a copy of the FHA Inspection report)

NOTE: A representative of the CDC shall complete a Visual Assessment of all homes for health and safety concerns, including the presence of Lead Based Paint dangers. If any lead based paint hazardous conditions exist, they must be mitigated (responsibility of Seller and/or Buyer) before the CDC will issue a clearance. A clearance must be issued before the CDC will release the closing documents and check. (See 'Attachment A' included with this application packet). The fee for the initial Visual Assessment inspection will be \$50.00. If additional inspections are required for Lead Based Paint Clearance the additional fees will not exceed \$450.00. These fees will be included in the Buyer's closing costs. No fees will be charged if the Buyer does not buy the inspected home.

3. Upon acceptance of the above materials the CDC will issue a five thousand dollar check made payable to the Title Company, to be disbursed according to a letter of instruction. If closing does not occur within the time period specified in the Letter of Commitment, the applicant will be disqualified from the program unless they can provide documentation describing mitigating circumstances for the delay.

After closing, the escrow agent is to return to the CDC all the completed documents described in the Letter of Instruction to the Escrow Agent. These documents include:

- A. Promissory Note - This document states that the Applicant agrees to pay to the CDC \$5,000.00 (or required prorated amount) if they should move from or sell the property within 5 (five) years of the date of closing. Please note that the CDC will not subordinate to second mortgages or refinances where the loan-to-value exceeds 90%.
- B. Trust Deed - This document states the CDC is a beneficiary whereby the CDC has a lien on the purchased property until the 5 (five) year loan/grant period has expired.
- C. Notice of Default- This document states that the first mortgage holder will notify the CDC if and when the Applicant defaults on payments and property goes to foreclosure.
- D. Visual Assessment Disclaimer/Agreement.
- E. Copy of the final Title Report or copy of Title Insurance policy issued to Buyer.

If you have any questions regarding the application process, please call Isabel Jackson at 801/994-7222 or e-mail at Isabel@cdc.utah.org

MAIL OR DELIVER APPLICATION TO:

Community Development Corporation of Utah
501 East 1700 South
Salt Lake City, Utah 84105

A COMPLETE APPLICATION TO SUBMIT INCLUDES:

Completed and signed Application Form
Copy of previous years Tax Return
Copy of signed Real Estate Purchase Agreement
Signed and notarized 'First-Time Homebuyer Affidavit'
Signed and notarized 'Sellers Affidavit'
Proof of age and citizenship status

OWN IN TAYLORSVILLE

Program Description

The Own in Taylorsville program is a federally funded loan/grant program administered by the Community Development Corporation of Utah (CDC). The goal of the program is to assist income eligible individuals purchase single-family homes. Those who qualify receive \$5,000.00, which can only be used for closing or down-payment costs. It is the responsibility of the applicant to select a home in the eligible areas.

Qualified applicants will receive their financial award on a first come, first serve basis. There are a limited number of loan/grants available, and the Board of the CDC reserves the right to expand or terminate the program as funds permit. The Board may also set aside a portion of the funds for special projects in accordance with federal and local guidelines.

To qualify for the financial award, the applicant must furnish to the CDC a complete copy of his or her previous year's tax return, a copy of the Real Estate Purchase Contract between the applicant and the seller, a selection of a house that is zoned only for residential use, and an affidavit from the seller that the sale of the selected property has not led to the displacement of any individual other than the seller, or the seller's immediate family. The applicant before or at time of closing must put up a minimum of \$500.00 toward the down payment or closing costs.

Before the CDC will issue a grant, a representative of the CDC shall perform a Visual Assessment for the presence of health and safety concerns, including the presence of Lead Based Paint dangers in homes built prior to 1978 (See 'ATTACHMENT A' included with this application packet). All fees associated with the inspections of the home will be included with the ordinary closing costs on the settlement statement at closing. The fee for these initial inspections should be no more than \$50.00. If hazardous Lead Based Paint conditions exist, the Seller and/or Buyer must take actions to remove the hazardous conditions, pursuant to HUD guidelines. The CDC will then re-inspect (Additional fees will be associated with this re-inspection process, not to exceed \$450.00) the home for compliance before releasing the grant funds. The correction of and health and safety concerns, other than those related to Lead Based Paint, will be the responsibility of the homebuyer to correct within two years of purchase. NOTE: The Visual Assessments are being conducted by requirements of the federal government, in order to alert the homebuyer to potential dangers prior to the closing. Federal subsidies may be withheld if certain problems exist and the seller and/or buyer do not wish to mitigate them. The seller or buyer, however, are free to complete the transaction without federal assistance. The homebuyer is encouraged to have a professional inspection regardless of the visual assessment conducted by the CDC. The visual assessment is not intended to determine the nature and extent of health and safety problems, nor does it determine if unseen problems exist in the home.

An applicant must receive an approved FHA, VA, or conventional loan. The applicant must also select a closing agent or Title Company that will execute and provide the CDC with all the real estate documents listed in the instructions provided the closing agent. It is the applicant's responsibility to ensure that all documents are properly prepared and forwarded to the CDC in a timely manner.

The \$5,000.00 loan/grant funds provided by the Grantor shall be repaid by the Grantee(s), if the Grantee sells, exchanges, transfers title, obtains a second mortgage, decide to refinance for any reason other than to reduce their interest rate to lower their monthly payment or cease using the purchased property as their primary residence within 5 years from the date of closing the funds must be. Funds will be repaid on a prorated basis of 20% per year. At the end of the five (5) period, the debt will be forgiven.

ATTACHMENT A

Lead Based Paint Procedures

New regulations from the Department of Housing and Urban Development (HUD: 24 CFR Part 35 subpart K) require increased activities concerning possible lead based paint hazards in homes built before 1978. The primary reason why HUD and its grantees (ie: CDC) are addressing lead based paint hazards is to protect families and children. When deteriorated lead based paint surfaces are present, children under the age of 6 are in danger of being poisoned through the ingestion or inhalation of lead based paint dust, paint chips and/or lead based paint contaminated soil around the exterior of the home.

The following procedures are required for all homes built prior to 1978 before down payment assistance to a family purchasing such a home can be approved.

1- Notification

- a. Pamphlet and Disclosure
- b. Notice of Lead Hazard Evaluation or Presumption, if applicable
- c. Notice of Lead Hazard Reduction Activity

This printed information will be part of the initial application packet.

2- Lead Hazard Evaluation

- a. Visual Assessment

A visual assessment will be performed by CDC personnel to determine whether there are deteriorated paint surfaces that could constitute a hazard to the occupant. Potentially hazardous paint surfaces are defined as more than 2 square feet of deteriorated surface on the interior of a home and more than 10 square feet of deteriorated surface on the exterior of a home. The cost to mitigate lead based paint problems will be the responsibility of the seller and/or buyer.

3- Lead Hazard Reduction

- a. Paint stabilization
- b. Safe Work Practices
- c. Clearance

If a home fails the Visual Assessment, the deteriorated surfaces must be repaired and stabilized. This work must be performed by a State of Utah Certified Lead Based Paint Contractor using Safe Work Practices as required by HUD, the EPA and OSHA. Following the completion of Paint Stabilization or other applicable repairs, a Clearance Test must be completed by a Certified Lead Based Paint Inspector or Risk Assessor to verify that the stabilization work has been successful and that the home is clean of hazardous residues.

The home seller could choose to have the home tested to determine whether lead based paint is present. The CDC will accept this test report if it is performed by a Certified Lead Based Paint Inspector or Risk Assessor. The cost for private testing will be solely the responsibility of the sellers.

4. The cost to perform the initial visual assessment and any additional required inspections by the CDC, will show as additional closing costs to be paid at closing by the buyer, from the funds provided by the downpayment/closing cost assistance grant the buyer is applying for. If the buyer does not complete the purchase of the home, there will be no cost to the buyer.

Visual Inspection for Health & Safety

In accordance with HUD regulations, the CDC is required to provide a visual assessment of a home that may receive federal grant or loan funds. This assessment intended to alert a family who will purchase the home that the home may have health and safety problems. The assessment is meant as a service for the family, it is not, however a full inspection that determines if health and safety problems actually exist. Because the CDC is only providing a visual assessment, we encourage the homebuyer to hire a professional service to satisfy any concerns they may have regarding the condition of the home.

OWN IN TAYLORSVILLE **Eligibility Criteria**

1. Applicant must meet Income Eligibility for his/her household size. Applicant must have yearly combined household* income equal to or less than the following:

<u>Household Size</u>	<u>Maximum Yearly Income</u>
1 Person	\$34,400
2 Person	39,300
3 Person	44,200
4 Person	49,100
5 Person	53,050
6 Person	57,000
7 Person	60,900
8 Person	64,850

(Above figures effective as of: March, 2006)

*Household income includes all income earned by all adults (over the age of 18) living in the home.

2. Applicant must be a U. S. Citizen or Resident Alien and be 18 years of age or older.
3. Must be a first-time homebuyer.
(If a homebuyer has not previously owned a home they are considered a first-time homebuyer. If a homebuyer has owned a home in the past they may still be able to qualify as first-time homebuyer. Because the definition of a First Time Homebuyer is changed from time to time, please contact our office if you need clarification of the definition)
4. Eligible Boundaries: Area within the City of Taylorsville
To verify addresses within the City of Taylorsville contact the Dept. of Planning & Zoning at 963-5400.
5. Eligible properties are limited to Single Family Detached Residences, Single Family Attached Residences (such as Condominiums, Town Homes).
6. Applicant must contribute a minimum of \$500.00 in personal funds to the down payment or closing costs. (Maximum amount cannot exceed 10% of purchase price)
7. Purchase price of property cannot exceed \$150,000.00.
8. The \$5,000.00 CDC loan/grant must be applied to the down payment and/or closing costs.
9. Purchased property must be zoned for residential use only, unless if it can be established that said property is in an area that has been predominantly residential for many years, and there is no government program endangering the residential integrity of the area.
10. The purchase of said property must not lead to the displacement of any individual other than the seller and his/her immediate family.
11. Applicant must secure FHA, VA, or conventional financing for property purchase.
12. **A Visual Assessment must be completed by the CDC on all homes for healthy and safety concerns, and for homes built prior to 1978 the home will be assessed by Lead Based Paint concerns.**

(The Community Development Corporation of Utah reserves the right to modify any or all of the above eligibility criteria as determined necessary by the Board of Directors.)

For Office Use Only
Date Application Received:

OWN IN TAYLORSVILLE Application

HUD 3/2006 Income Limits

Applicant must complete all sections for application to be considered complete.

Applicant Name(s): _____

Present Address: _____
Street *City* *Zip Code*

Home Phone: _____ Work Phone: _____ Email Address: _____

Total Annual Household Income: _____ Number of persons in household: _____

How did you hear about our program? _____

The next questions are for Survey Purposes Only, and does not effect an Applicant's Eligibility.

Head of Household is: Male / Female (circle one) Date of Birth: _____

Is any member of your household disabled? Yes _____ No _____

Ethnicity: (select only one) Hispanic or Latino Not Hispanic or Latino

Race: (select one or more)

- White Black or African American American Indian or Native Alaskan
- Native Hawaiian or Other Pacific Islander Asian

The following questions pertain to the property to be purchased.

Estimated Closing Date: _____

Address: _____

Year home was built: _____

Home is a: Detached Single Family _____
Condominium _____
Other (Specify) _____

Purchase Price: _____
Amount of Down Payment: _____
Appraised Value: _____

Number of Bedrooms: _____

Will you be having a Co-Signer on you loan? _____

Name of Co-Signer: _____ Relationship: _____

In order to process this application, the Social Security #'s for ALL persons living in the household must be provided:

<u>NAME</u>	<u>SOCIAL SECURITY #</u>	<u>Age</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Check List - have you attached the following:

Copy of Real Estate Purchase Agreement _____
Copy of Previous Year's Tax Return _____
Seller's Affidavit _____

Buyer's Real Estate Co: _____
Agent's Name: _____
Phone: _____
Seller's Real Estate Co: _____

First-Time Homebuyer Affidavit _____
Documentation of Citizenship Status & Age: _____

Agent's Name: _____
Phone: _____

Lender Information

Lender _____
Loan Officer: _____
Phone : _____

I hereby apply for an Own in Taylorsville-Loan/Grant. I agree to comply with all terms and conditions of the Own in Taylorsville Program. I understand that failure to comply with any condition, or the submission of false or misleading information may result in rejection of this application. I also understand that I am not hereby committed to buy the above mentioned property.

Signed: _____ Date: _____
Signed: _____ Date: _____

OWN IN TAYLORSVILLE
AFFIDAVIT OF FIRST-TIME HOMEBUYER

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

AFFIANT, being first duly sworn, states and represents that:

- 1. Affiant is a first-time homebuyer*, and has signed an Real Estate Purchase Contract to purchase the property located at:**

**(If a homebuyer has not previously owned a home they are considered a first-time homebuyer. If a homebuyer has owned a home in the past they may still be able to qualify as a first-time homebuyer. Because the definition of a First Time Homebuyer is changed from time to time, please contact our office if you need clarification of the definition.)*

DATE: _____

SIGNATURE OF AFFIANT (HOMEBUYER)

NAME OF AFFIANT (PLEASE PRINT)

PRESENT ADDRESS

SUBSCRIBED and sworn to before me on this _____ day of _____, 20_____.

NOTARY PUBLIC

(STAMP)

OWN IN TAYLORSVILLE
AFFIDAVIT OF SELLER

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

AFFIANT, being first duly sworn, states and represents that:

1. Affiant is the owner, or an interest holder in a partnership, or an officer and shareholder of a corporation, which owns property located at:

_____ hereafter referred to as "the property".

2. Affiant has entered into an agreement to sell the property with:

(Buyers)

3. Affiant's purchaser has made application to the Community Development Corporation of Utah ("CDC") to obtain a loan/grant of \$5,000.00 from the CDC "Own in Taylorsville" Program to apply toward the purchase of the property.
4. Affiant is hereby notified, that neither the CDC nor the homebuyer has power of eminent domain and therefore, if negotiations fail to result in an amicable agreement, the CDC shall not acquire said property.
5. Affiant, or the partnership or corporation which Affiant represents, currently owns and has owned the property for a period of _____ years.
6. Affiant represents that:

Other than the Affiant and Affiant's immediate family, no persons have resided at the property during the previous six or more months, OR,

If any person other than the Affiant and Affiant's immediate family has been a tenant residing at the property during the last six or more months, the tenancy of any such person in the property has not been terminated as a result of the planned sale to Affiant's purchaser.

7. Affiant hereby acknowledges that the CDC will be allowed to inspect the home for a Visual Assessment of health and safety concerns, and if the home was built prior to 1978 the home will be inspected for the presence of lead based paint dangers.

DATED: _____

AFFIANT-SIGNATURE

AFFIANT-PRINT NAME

ADDRESS-PRINT

SUBSCRIBED and sworn to before me on this _____ day of _____, 20____.

(STAMP)

NOTARY PUBLIC