



HomeZone DownPayment Assistance

Down Payment Assistance is available on a first-come, first-serve basis for buyers of single-family homes in Montgomery County *except for* properties located in the . The goal of the program is to support home sales by the private market and increase home-ownership. First-time homebuyers can get up to \$5,000 to use for any expenses related to the downpayment, closing costs, principle reduction, or interest rate buy-down. The actual dollar figure will represent 6 percent of the purchase price of the home, up to a maximum of \$5,000. The assistance comes in the form of a 0 percent deferred loan that is re-paid when the homeowner no longer resides in the property. No monthly payments are required. Eligible families must be at or below 80 percent of the area median income level. Participants must also complete a homebuyer’s education class and make a minimum cash investment of \$500 in the purchase transaction.

- ❖ The homes must be in good condition and not fixer-uppers. These are HUD funds and require an inspection. CountyCorp must inspect the home prior to releasing the funds. If defects are found that are related to code or present lead paint hazards, they have to be dealt with before the closing. The inspections are performed to HUD’s Housing Quality Standards (HQS).
- ❖ Do not consider these funds on vacant repossessed homes where the utilities are turned off. We cannot perform the inspections.
- ❖ CountyCorp is approved by FHA to use our down payment funds in the form of a mortgage.
- ❖ The funds can be used on single-family homes.
- ❖ The funds can only be used in conjunction with a mortgage loan provided by a lending institution, credit union, or mortgage company.
- ❖ The lender will determine the use of the funds. We will not provide assistance to loans that are high risk, subprime-adjustable, or with excessive fees. The funds must be used with a 15 year or more fixed interest rate loan. Lender financing must escrow for taxes and insurance.
- ❖ The purchaser must be first-time homebuyer and meet income requirements.

Maximum Income Guidelines Are Based On The Number of Occupants In The Household, (not just who is on the loan application).

Area Median Income 2011 housing income limits based on HUD figures for 2011

Occupants	1	2	3	4	5	6	7	8
80% AMI	\$34,950	\$39,950	\$44,950	\$49,900	\$53,900	\$57,900	\$61,900	\$65,900

How Do I Apply?

1. You should contact CountyCorp to find out if funds are available.
2. The lender submits the application on your behalf.
3. You should also:
 - Inform your Real Estate Agent so that appropriate forms are executed as part of the Purchase Agreement.
 - Discuss the use of these funds with your Lender at the time of your loan application.

Who Is Eligible ?

1. A prospective homebuyer that has a household income at or below 80% of the area median income.
2. Applicants for the Down Payment Assistance must be first-time homebuyers.
3. **First time homebuyers** are those clients and their spouse who has not owned a home within 3 years prior to the purchase or a displaced homemaker or single parent. A displaced homemaker is an individual who has not worked full-time 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 is experiencing difficulty in obtaining or upgrading employment. A single parent is defined to mean an individual who is unmarried or legally separated from a spouse and has one or more minor children in their custody.
4. The applicant must agree to occupy the purchased property as their principal residence. This requirement is incorporated into the mortgage, deed, and the loan documents.
5. The applicant cannot own other residential real estate.
6. The applicant must have a minimum of \$500 of their own seasoned funds to put towards the down payment or closing costs. The mortgage lender may require a greater contribution by the borrower.
7. The applicant can only use CountyCorp's funds with a purchase transaction that involves a lending institution or mortgage company. Land Contracts or other forms of seller financing are not eligible.
8. The applicant attend an approved homebuyer education course offered from an agency such as the Mortgage Credit Counseling Program provided by CityWide Development Corporation prior to loan closing.

What Homes Are Eligible?

1. Single-family residences listed "for-sale". The property being purchased can be an existing, newly constructed, or a manufactured home. Homes must be detached single-family dwellings or if attached, it must have a separate property deed. Mobile homes do not qualify.
2. The homes must be located in Montgomery County and outside the cities of Dayton and Kettering.
3. The home must be on the market as a voluntary transaction and have not been occupied as a rental property within the previous 12 months.
4. The home should be in very good condition. This program does not work on vacant homes or fixer-uppers since all work has to be completed prior to the loan closing.
5. CountyCorp staff will perform a Housing Quality Standards (HQS) inspection. Also a visual inspection for lead-paint hazards for all properties built prior to 1978 will be completed. If CountyCorp's staff suspects lead-paint hazards, a lead assessment must be conducted by Montgomery County Combined Health District.
6. Should lead-paint hazards exist, an Inspection Addendum will be developed that states that the seller will pay for the necessary repairs and also cover the cost of a "final clearance" test from the Montgomery County Combined Health District. The sellers will be responsible for obtaining a licensed

lead contractor. If the sellers wish they can obtain a list of contractors from agency administering the program. A final clearance must be done and all reports given to administering agency, the realtor, and the buyers. The administering agency's inspector will then do a final inspection of the property. (As of January 1, 2010, CountyCorp will have funds to cover the cost of lead inspections, testing, and clearance. The seller will not have to pay this expense.)

7. For repairs involving other than lead paint hazards, the buyers will inform the seller of the repairs that must be made, and negotiate with the sellers as to who is responsible for the repairs for items found through the Local Housing Code inspection. CountyCorp must be assured that the property to be purchased passes our HQS inspection and that the repairs have been made, re-inspected, and approved prior to the loan closing. The cost of the inspection and, re-inspection, and approval is included in the \$500 fee charged by CountyCorp and may be included in the deferred loan.
8. The CountyCorp Housing Quality Standards (HQS) inspection should not replace the buyers' traditional home inspections and the buyers' should not waive their rights to have their own inspections performed for home purchase. The HQS does not warrant or provide any guarantees for the buyer or the seller. Defects affecting the habitability of the home that are discovered by the buyer's home inspections must be disclosed to CountyCorp and cured prior to closing.
9. The sales price of the home cannot exceed \$171,000 for a single-family home.

What Are The Financial Details For The Down Payment Assistance?

1. The amount of assistance provided is 6% of the purchase price up to a maximum of \$5,000 in the form of a 0% interest deferred loan. There are no monthly payments required. The loan is not forgiven.
2. The full amount of the assistance is paid back when the homeowner sells or refinances the property or if the home is no longer the owner's principal place of residence.
3. If CountyCorp discovers that the owner violated the owner-occupancy status or rents the property, a penalty of 7% interest is added to the principal amount. The Note will be called and payment is due immediately. CountyCorp does check public records to monitor ownership.
4. The funds can only be used toward the down payment, closing costs, principle reduction, interest rate buy-down or combination thereof. The lender determines how the funds are to be used in the financing of the home to conform with their underwriting guidelines.
5. CountyCorp is approved by FHA to provide down payment assistance in the form of a deferred loan.
6. \$500 document prep, recording and inspection fee is charged. The fee may be included in the loan and exceed the \$5,000 as long as: the total amount does not exceed 6%. Otherwise the fee must be deducted from the cap of \$5,000 and reduce the amount that goes for the allowable uses.
7. The amount of assistance is secured with a note and a recorded mortgage.
8. CountyCorp will not subordinate the homebuyer assistance funds. If the borrower wishes to refinance their existing first mortgage they must pay back the homebuyer assistance funds.
9. The assistance can be used with FHA, conventional loan products and approved Community Homebuyer products. Community Homebuyer products are affordable programs through Fannie Mae and Freddie Mac and offered by major lenders and mortgage companies. The interest rate cannot exceed 3 percent above market rate for conventional fixed-rate loans. Total closing costs including the origination fee cannot exceed 5% of loan amount. Lender origination fee cannot exceed 1%.
10. On the buyers' hazard insurance policy, CountyCorp must be listed as a second mortgage holder on the property.

Our address is:

130 W. Second Street
Suite 1420
Dayton, OH 45402

What Does A Real Estate Agent Need To Know?

1. The Real Estate Agent should present homes that are in very good condition. Vacant homes that do not have utilities are not eligible since we cannot perform the HQS inspection.
2. The Agent must include language in the Inspection Addendum of the Purchase Offer: a statement that the seller will give CountyCorp the right to inspect the home and if during that inspection we notice potential Lead Paint Hazards, the Montgomery County Health Department has the right to perform an inspection and test for lead paint.
3. CountyCorp does not perform the HQS inspection until we receive the complete package from the lender. We will verify that the buyers' household income meets the eligibility requirements. Once that is completed we will perform the inspection.
4. CountyCorp will rely on the Agent make arrangements with the seller and schedule the HQS inspection.
5. If CountyCorp staff witnesses peeling paint, this will cause the home to be tested for lead paint and the hazards must be abated. The Seller is taking on additional costs to abate the lead and they would have to disclose this information to future buyers if the current deal does not go through. The testing, abating, and clearance testing will also extend the closing date to greatly exceed the typical 30 to 45 day purchase timeframe.
6. Provide CountyCorp adequate time to perform the inspection. The Real Estate agent must allow time for the defects to be taken care of prior to closing. It is recommended that a two to three-week time frame be given to perform the initial inspection, make improvements, and re-inspect the property. Do not blame CountyCorp if the repairs are not made when we re-inspect and this causes the closing to be postponed.
7. All repairs must be made prior to closing.
8. The Real Estate Agent should complete and/or follow through on the execution and delivery of the documents to comply with the Uniform Relocation Act (URA). Both documents are to be signed by the seller at the time the purchase offer is presented.
 - Voluntary Sale and Estimate of Fair Market Value
 - Non Displacement Form
9. The Agent should have the buyer execute the Lead-based Paint notification form required by HUD, provided by CountyCorp and signed by the Buyers.

What Does A Lender Need To Know ?

1. Please confirm that funds are available by contacting CountyCorp at 531- 7050 or 531-7048.
2. The lender determines the use of the funds. The funds can be used toward the downpayment, closing costs, interest rate buy-downs, and principle reduction, or any combination thereof. The documents can be faxed to Kimetta Parker at 937-531-7051. You can also scan the documents and email to Ms. Parker at Kparker@countycorp.com.
3. A sample copy of CountyCorp's Mortgage and Note is on the website.
4. The funds may be used with either conventional, VA, or FHA loans. The loans must have a fixed rate with terms of 15 years or greater. Hazard insurance and property taxes must have escrow accounts.

5. The closing costs including the origination fee cannot exceed 1%. The origination fee should not exceed 1% of the loan amount.
6. Please add CountyCorp's fee of \$500 the amount of assistance. The maximum amount is the lesser of 6% of the sales price or \$5,000. If the borrower will use the full amount of \$5,000 the fee may be added to the amount as long as the total amount does not exceed 6%. Otherwise the fee must be deducted from the cap of \$5,000 and reduce the amount that goes for the allowable uses.
7. The lender submits the documents to CountyCorp. CountyCorp must verify the eligibility of the household to approve the funding. Our approval is based on the total income of all members in the household. Third-party verifications are processed so ample time must be given. Usually no more than 2 weeks.

Maximum Income Guidelines Are Based On The Number of Occupants In The Household, (not just who is on the loan application).

Area Median Income 2011 housing income limits based on HUD figures for 2011

Occupants	1	2	3	4	5	6	7	8
80% AMI	\$34,950	\$39,950	\$44,950	\$49,900	\$53,900	\$57,900	\$61,900	\$65,900

8. Please see the list of documents that Lender must submit to CountyCorp to begin the request or to close on the funds for Homebuyer Assistance.
 - A. Completed Home Zone Buyer Assistance Application
 - B. Release of Information
 - C. Signed Disclosure Form
 - D. Inspection Acknowledgement
 - E. Income documentation (i.e. paycheck stubs, previous year's income tax return and award letters) for **all household** members.
 - F. Copies of most recent bank statements for all accounts
 - G. Lenders' Uniform Residential Loan Application
 - H. Lenders' first mortgage commitment letter or documentation
 - I. Lenders' itemized statement of need (i.e. Good Faith Estimate with the downpayment amount listed separately for full amount needed and required escrow deposits listed) signed by the buyers
 - J. Copies of the Sales Contract
 - K. Inspection Amendment to the Sales Contract
 - L. Notification of Uniform Relocation Act (URA) for HUD Programs signed by the Seller
 - M. Notice of Non Displacement
 - N. The Lead-based Paint Notification form required by HUD, provided by the Real Estate Agent.

These Documents May Be Submitted Prior to Closing

- O. Homebuyer Education Certificate
- P. A copy of the appraisal (with pictures) including a flood plain certification.

The Process

At any time during the process the Buyer attends a homebuyer education program and receives a certificate verifying class completion. The certificate should be given to the lender.

- ❖ The lender contacts CountyCorp regarding available funds and questions about the program.
- ❖ The borrower/homebuyer should complete the HOME ZONE Homebuyer Assistance Application and give to the lender.
- ❖ The lender collects and submits to CountyCorp :
 - A. Completed Home Zone Buyer Assistance Application
 - B. Release of Information
 - C. Signed Disclosure Form
 - D. Inspection Acknowledgement
 - E. Income documentation (i.e. paycheck stubs, previous year's income tax return and award letters) for **all household** members.
 - F. Copies of most recent bank statements for all accounts
 - G. lenders' Uniform Residential Loan Application
- ❖ CountyCorp will review the documents and determine if the borrower is eligible and the household income is below 80% of the area median. CountyCorp will contact lender and request the balance of the documents.
 - A. Lenders' first mortgage commitment letter or documentation
 - B. Lenders' itemized statement of need (i.e. Good Faith Estimate with the downpayment amount listed separately for full amount needed and required escrow deposits listed) signed by the buyers
 - C. Copies of the Sales Contract
 - D. Inspection Amendment to the Sales Contract
 - E. Notification of Uniform Relocation Act (URA) for HUD Programs signed by the Seller
 - F. Notice of Non Displacement
 - G. The Lead-based Paint Notification form required by HUD, provided by the Real Estate Agent.
- ❖ The buyer/borrower at this point may be directed to select a home. They should make sure the inspection addendum addresses the program and the 2 HUD forms regarding Voluntary Acquisition and The Uniform Relocation Act – Non-Displacement forms are provided when making an offer to purchase.
- ❖ If buyer came to the Lender with a Purchase Contract in place – The lender needs to provide the borrower all the appropriate documents for execution (A through N). Some documents will require the involvement of the Real Estate Agent.
- ❖ The Real Estate Agent contacts CountyCorp to scheduled inspections.
- ❖ A letter is faxed by CountyCorp to Real Estate Agent and Lender that outlines the outcome of the inspection and if any repairs are needed.
- ❖ Repairs are made.
- ❖ Real Estate Agent contacts CountyCorp to re-inspect.
- ❖ The Homebuyer Education Certificate is provided to CountyCorp
- ❖ Lender submits a copy of the lending institutions appraisal, including pictures and a flood certification identifying the subject property location to CountyCorp.
- ❖ Closing is scheduled. CountyCorp amount is verified.
- ❖ Title company prepares CountyCorp's Mortgage and Note.

- ❖ The buyer contacts their insurance agent to add the administering agency to their hazard insurance policy as a second mortgage holder on the property for the life of the loan. The mortgage clause should read: COUNTY CORP, 130 W. Second Street, Suite 1420, Dayton, OH 45402.
- ❖ Title Company picks up check from CountyCorp for closing.
- ❖ At the closing, the buyer signs a promissory note and mortgage for the amount of assistance provided and agrees to adhere to the terms and conditions outlined in the executed mortgage and promissory note.

The Loan Closing and Post Closing

Title Company submits the following to CountyCorp:

- A. Disclosure Statement
- B. Proof of Hazard Insurance
- C. Promissory Note
- D. Recorded Mortgage
- E. Errors & Omissions
- F. Truth-in-Lending
- G. Inspection Agreement

What Documents Are Required To Process The Request And Provide The Funds?

- A. Completed Home Zone Buyer Assistance Application
- B. Release of Information
- C. Signed Disclosure Form
- D. Inspection Acknowledgement
- E. Homebuyer Education Certificate
- F. Income documentation (i.e. paycheck stubs, previous year's income tax return and award letters) for all household members.
- G. Copies of most recent bank statements for all accounts
- H. Uniform Residential Loan Application
- I. Lenders first mortgage commitment letter or documentation
- J. Lenders itemized statement of need (i.e. Good Faith Estimate with the downpayment amount listed separately for full amount needed and required escrow deposits listed) signed by the buyers
- K. Copies of the Sales Contract
- L. Inspection Amendment to the Sales Contract
- M. Notification of Uniform Relocation Act (URA) for HUD Programs signed by the Seller
- N. Notice of Non Displacement
- O. A copy of the appraisal (with pictures) including a flood plain certification.
- P. The Lead-based Paint Notification form required by HUD, provided by the Real Estate Agent.

Sample CountyCorp Documents To Review

- 1. Loan Agreement
- 2. Mortgage and Security Agreement
- 3. Home Zone Note
- 4. Housing Quality Standards Inspection Form

Contact Information

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