

GUIDELINES FOR THE ENFIELD FIRST-TIME HOMEBUYER PROGRAM

Enfield Community Development Loan Program

Purpose and Priorities

The purpose of the Enfield First-Time Homebuyer Loan Program (FTHB) is to make funds available to help low-and moderate-income households purchase existing housing units in designated sections within the Town of Enfield at an affordable price. The Enfield Office of Community Development will promote the availability of funding to all eligible Applicants without regard to race, color, religion, national origin, sex, marital status, and age. Federal regulations issued under the Equal Credit Opportunity Act (ECOA) prohibits creditor practices that discriminate based on any of these factors.

Forms of Assistance

Financial Assistance for Down-payment, Closing Costs, Mortgage Write-down

This Program enables the Town of Enfield to increase the purchasing power of first time homebuyers. In essence, this money is the gap funding the Applicant needs to meet the rising cost of housing in Enfield. The funds may be used to pay for up to 50% of down-payment cost, closing costs and inspections, or as a direct principle payment toward your mortgage after your closing. This money becomes a second deferred mortgage on the property. Funding comes from the federal and state Community Development Block Grant (CDBG) program through the Town of Enfield Office of Community Development (OCD). The maximum loan amount is \$10,000.00 for the Thompsonville-Tract 4806 and the North Thompsonville-Tract 4805

The loan amount can be used for up to 50% down payment cost, closing costs, mortgage write-down, or any other expenses related to the purchase of a home in Enfield.

FTHB Loan

The Enfield FTTHP program provides a deferred loan option to all low and moderate income home buyers.

Deferred payment loans are at a 0% interest.

The deferred loan will become payable in full if the property is sold or transferred in any manner (such as death of the property owner, sale of the home, elderly homeowner is placed in a nursing home etc.).

The loan will be paid back to the Town of Enfield on transfer of property.

All loan determinations are subject to a Loan Review Committee process that will affirm the applicant's eligibility.

I. PROGRAM ELIGIBILITY

A. LOW-AND MODERATE-INCOME PROGRAM

Purpose

To provide financial assistance for the purchase of permanent housing that benefits low-and moderate-income households. Only residential housing under the following guidelines shall qualify:

Definitions

- 1. Eligibility** – Households may be eligible based on the number of persons in the household and the total household income. All income earned by all members of the household (except for dependent children) is calculated for purposes of determining if the household is eligible to receive funding assistance. Total household income must not exceed the federal income limits for Community Development Block Grants. Such income limits are updated annually by the U.S. Department of Housing and Urban Development (“HUD”). Current income limits (2015) for Hartford County are as follows:

Number in Family	Low Income	Moderate Income
1- person household	\$32,100	\$47,600
2- person household	\$36,700	\$54,400
3- person household	\$41,300	\$61,200
4- person household	\$45,850	\$68,000
5- person household	\$49,550	\$73,450
6- person household	\$53,200	\$78,900
7- person household	\$56,900	\$84,350
8 or more- person household	\$60,550	\$89,800

2. **First-Time Homebuyer** – Any Applicant who has not owned real estate for their primary residence or any other real property in the last three years. This restriction may be waived by the Director of Community Development for Applicants recently divorced, widowed, or victims of domestic violence.
3. **Market Rate** – Unless otherwise indicated, the average mortgage rate for a 30-year fixed rate mortgage from one of the lending institutions doing business with the Town of Enfield First-Time Homebuyer Program.
4. **OCD** – Office of Community Development acts on behalf of the Town of Enfield to run and administer the First-Time Homebuyer Program (FTHP).
5. **HQS** – Housing Quality Standard set by the Federal Department of Housing and Urban Development.
6. **Persons with a Disability** - Individuals with an inability to pursue particular functions based on a mental and/or physical impairment. Documentation of disability income is required.

B. ELIGIBILITY

1. The Applicant is a first-time homebuyer, and all mortgages will not exceed \$250,000 in total on the property.
2. The property must be the primary residence of the Applicant(s) for the duration of the loan.
3. **Applicants do not have to live in Enfield when they apply** for the program. However, the home they are purchasing must be located in a FTHB designated area.
4. The property to be purchased must be a single-family house, condominium, or a two- to four-family structure, and must be located within the neighborhoods of Thompsonville and North Thompsonville. (Please see the map on the last page.) The Town has designated these areas as high priority for increased homeownership. Under the FTHB program, the boundaries of the designated area include the Massachusetts state-line to the north, Route 190 to the south, east to Interstate 91, and west to the Connecticut River. The area is comprised of census tracts 4805 & 4806.

Please be advised, rent increases for multifamily apartment shall not exceed the Fair Market Rent levels as determined by HUD for the life of the loan. FMR information can be obtained from the OCD.

5. The Applicant receives a **certificate of participation from an approved homebuyer-counseling program.**

Co-Opportunity Inc.	Mr. Gary Evens 860-236-3617 x1101	20-28 Sergeant Street Hartford, CT
Mutual Housing of Hartford	Ms. Marylyn Miranda 860-296-1797 Ext. 10	95 Niles Street Hartford, CT
Urban League	Ms. Tymina Follins 860-527-0147 x 295	140 Woodland Street Hartford, CT
HART	Ms. Rica Chaparo 860-525-3449 x102	423 Washington Street Hartford, CT
Neighborhood Housing Services of New Britian	Ms. Rosa Rivera 860-224-2433	223 Broad Street New Britian, CT

6. The household meets the **income limits** for the CDBG and HOME programs. The Federal government requires households receiving federally funded down payment assistance to have an adjusted gross income, as defined by the Internal Revenue Service, below 80% of the Hartford County Median Income (MFI).
7. **Applicants Who Withdraw** – Except as provided hereafter, Applicants who withdraw from the process after submitting their application but prior to receiving commitment shall not be allowed to reapply for a period of two years. Applicants who withdraw after commitment shall not be allowed to apply for a period of four years. Exception: either of the above waiting periods may be waived at the discretion of the OCD.
8. **Non-Displacement Policy** - Funds will not be provided towards the purchase of any property if any existing rental tenant(s) will be displaced upon change of ownership that would invoke the Town of Enfield Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the Housing and Community Development Act of 1974, as amended.
9. **Lead Paint Regulations** - Before occupancy all units must comply with lead paint regulations issued under Title X ("ten") of the Housing and Community Development Act of 1972. The new regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35). Please ask OCD staff for clarification on the new Federal lead paint regulations.
10. **Home Inspection** - Before occupancy, all units must be inspected by a licensed Home Inspector, and an inspection report must be submitted to the OCD prior to the closing.

II. TYPES OF ASSISTANCE

DOWN PAYMENTS

Down payments are usually required by your lending institution to demonstrate your ability to produce and save money. The funds may be used to pay for up to 50% of down-payment costs.

CLOSING COSTS

Closing costs include such items as; lending institution processing and servicing fees, attorney fees, appraisals, notary fees, recording fees and cost of inspections to determine the condition of the structure, mechanical / electrical systems, and property in general. Closing cost will be paid at the time of the closing by check which will be issued by the OCD.

DIRECT MORTGAGE WRITE-DOWN

If the applicant does not need assistance with down payment or closing costs, or if unexpended loan funds remain at the end of the closing, the funds may be used to write-down the mortgage through a one-time principle payment to the lending institution.

III. GENERAL FTHB GUIDELINES

A. APPLICATION PROCESS

- Applications may be obtained at the Town of Enfield, Office of Community Development, 820 Enfield Street, Enfield, CT 06082.
- Applicants must submit *all required materials* including a pre-approval letter from the lending institution with whom they chose to obtain a first mortgage, a certification that s/he has completed an approved homebuyer counseling class and a signed FTHB application. [The application simply states that the Applicant(s) has read and understands the FTHB Guidelines and agrees to abide by all terms and conditions of the Program.]
- All applications will be stamped to show the date received by the OCD.
- Applications will be **reviewed for initial eligibility in order of submission**.
- If an Applicant does not adequately complete the application in its entirety, the OCD will return the application, noting the omitted information. The Applicant may choose to complete and resubmit his/her application.

B. PRELIMINARY ELIGIBILITY DETERMINATION

Once an Applicant is determined to be eligible, and they have submitted all necessary documentation to our office, their application will be presented to the Loan Review Committee. **If approved**, funds will be reserved for a period of 90 days, or by the set closing date on the offer.

A preliminary eligibility determination by the OCD is not a financial or legal commitment on the part of the OCD to provide a loan.

The Applicant will qualify for assistance if they meet the criteria to qualify with the program guidelines. The need will be determined by the OCD Staff after the lending institution issues a good faith estimate for closing costs and down payment. Once that amount has been determined the Applicant's resources will be reviewed and need determined. The loan funds **will not cover points** to reduce interest rates. The **maximum amount** of Down Payment / Closing Cost assistance is **\$10,000 for both the (Thompsonville-Tract 4806) and (North Thompsonville-Tract 4805).**

C. FINAL DETERMINATION

When an Applicant is notified that S/He is eligible, S/He is then encouraged to begin looking for a house to buy, unless S/He has an offer to provide OCD.

Applicants should keep the OCD informed of their progress. The OCD will obtain the following documents from the Bank with whom the Applicant is working for their conventional loan as well as documentation from the Applicant.

The Applicant must authorize the Bank or Lending Institution to release required information to the OCD.

1. Executed Purchase and Sale Agreement;
2. Letter of First Mortgage commitment or pre-approval letter from the bank or lending institution;
3. Certified property appraisal; (Fair Market Value)
4. Credit report of Applicant(s) (pulled within the past 6 months).
5. Applicants must submit a Home Inspection Report by a licensed Home Inspector.
6. Guideform Notice-Disclosures to Seller with Voluntary, Arm's Length Purchase Offer.

The OCD may require additional information and documentation if necessary.

Once a fully executed Purchase and Sale agreement and the Guideform Notice-Disclosures to Seller with Voluntary, Arm's Length Purchase Offer (see sample A) has been provided to the OCD, funds will be committed to the Applicant and thus provided to the lending institutions in which the first mortgage is held at settlement (closing).

D. COMMITMENT AND CLOSING

1. Commitment

After receiving a copy of the fully executed Purchase and Sale agreement and the Guideform Notice-Disclosures to Seller with Voluntary, Arm's Length Purchase Offer (see sample A), the OCD will issue a First-Time Homebuyer Loan Commitment Letter to the Applicant. The letter will also inform the Applicant of other information, conditions, and/or materials that may be required to establish a loan closing date.

The Applicant must meet any and all requests for supplementary information, condition and/or materials as specified in the letter. The Applicant will be asked to sign the Loan Commitment Letter, a Truth in Lending Disclosure Statement, and a Lead Paint Notification Form.

2. Closing

The First-Time Homebuyer loan will precede the closing on the First Conventional Mortgage. The following is a partial list of typical documents required at the closing:

1. Certificate of Municipal Lien
2. Insurance Binder for both hazard (liability) and property insurance if applicable.
The OCD must appear as a loss payee as follows:

Town of Enfield
Office of Community Development
820 Enfield Street
Enfield, CT 06082

E. TIME FRAME

The Applicant can expect the following timeline to be followed to the best of the OCD's ability:

- 30-60 days: Closing with the OCD will take place within 30 to 60 days after the Applicant has satisfied all closing requirements or at a later date set by the applicant and their lending institution.

F. LENDING INSTITUTIONS

Applicants are encouraged to work with local Lending Institutions who are familiar with the Enfield housing market and can provide on-going services after the sale is complete. However, buyers are not limited to local Lending Institutions as long as the terms and rates of your mortgage are comparable with industry standards. The Town of Enfield reserves the right to investigate the lending practices of all Lending Institutions involved in this program. The Town will refuse Applicants that attempt to obtain mortgages from institutions that engage in predatory or unscrupulous lending activities.

All funding for the closing, other than OCD funding is the responsibility of the Applicant. Any procedures or requirements of the Lending Institutions will be not superseded by the FTHP.

G. PROGRAM CONTACT

Office of Community Development
820 Enfield Street
Enfield, CT 06082
860-253-6390
www.enfield.org

Co Applicant: _____ M F
(LAST) (FIRST) (MI)

Current Address: _____

(Co Applicant) Street/ Apt.# City/Town State Zip

If you have lived at this address for less than one year please list your previous address: _____

Social Security # _____ (Co Applicant)

Date of Birth # _____ (CoApplicant)

Email Address: _____

Daytime Telephone # () - _____ (Co Applicant)

Evening Telephone # () - _____ (Co Applicant)

Names and Ages of Children in Household:

REQUESTED LOAN AMOUNT _____

Household Composition

Number of Persons who reside in Applicant(s) current home: _____
 Number of children who will live with the Applicants(s): _____
 Number of children (if any) under the age of 6 who will reside in unit: _____
 If a purchasing a multifamily home, list the number of units: _____

The following information is not required. However, this information will enable us to adhere to Fair Housing Regulations.

Ethnic Identity: ___Asian ___Black ___Hispanic ___Eskimo / Aleutian
 ___Pacific Islander ___Cape Verdean ___Native American ___White ___Other

Female Head of Household: Yes No
 Household Member Disabled: Yes No

Income

Please list all income of all household members who receive income and source of income, including the Applicant(s) (employed, social security, disability, etc.). Also, list the gross monthly amount of income received. In addition, list the position from which income is received, if applicable.

List Gross Dollars	Applicant	Co-Applicant	Position
A. Wages, Salary, Tips	\$	\$	
B. Business Income	\$	\$	
C. Social Security	\$	\$	
D. Pension	\$	\$	
E. Child Support	\$	\$	
F. Alimony	\$	\$	
G. Dividends and Interest	\$	\$	
H. Unemployment Compensation	\$	\$	
I. Other(describe)	\$	\$	
Total	\$	\$	

EMPLOYMENT INFORMATION

Household Member/Applicant(s)	Employer/Address	Name of Supervisor	Length of Employment	Telephone #

ASSETS/LIABILITIES

Assets:	Balance	Account #	Bank/Finance Co.
Checking:	\$		
Savings:	\$		
CD/IRA:	\$		
Time Share	\$		
Other:	\$		

List all Credit Accounts, Loans (Credit Cards, Department Stores, Auto, Personal Loans, etc.)

Creditor	Account #	Balance Due	Monthly Payment
	\$		
	\$		
	\$		
	\$		
	\$		
	\$		
	\$		

Have you ever had any judgments or other legal proceedings against you? Yes _____ No _____

Have you gone through bankruptcy in the past ten (10) years? Yes _____ No _____

If yes, please explain: _____

Are you co-maker, endorser or guarantor for others? Yes _____ No _____

If yes, please explain: _____

Please attach all other supporting information to this application form.

LENDING INSTITUTION

Name of Institution _____

Loan Officer / Contact Person _____

Phone Number _____

Please attach a copy of your mortgage application to this FTHB application.

I/We certify that the above information is correct to the best of my knowledge, and I/We authorize the Enfield OCD to verify the facts stated. I/We also understand giving false statements or information will automatically terminate this application. I/We certify that this application does not in any way constitute a binding agreement between the Enfield FTHB Program and the said applicant(s) for the funding assistance to the purchase of property. I/We have read and fully understand the FTHB Program guidelines provided to me with this application, including all intake procedures for the program. I/We also understand that the funding used for the Enfield FTHB Program has income and affordability restrictions as well as deed restrictions.

Applicant 1 signature: _____ Date: _____

Applicant 2 signature: _____ Date: _____

DOCUMENT CHECKLIST FOR REQUIRED INFORMATION FOR (FTHB) FIRST TIME HOMEBUYERS

INITIAL INFORMATION REQUIRED WITH THE APPLICATION FOR FTHB

1. COMPLETED APPLICATION
2. PRE APPROVAL LETTER
3. CREDIT REPORT
4. CERTIFICATE FROM AN APPROVED HOMEBUYER COUNSELING CLASS

INCOME TAX DOCUMENTATION

1. LAST 2 YEARS OF TAX RETURNS INCLUDING W-2 FORMS (1040,1040A,1040EZ,1098,1099 AND ALL SCHEDULES)
2. IN THE EVENT A TAX DOCUMENT IS MISSING IN PART OR IN WHOLE, OR IF THE APPLICANT DID NOT FILE TAXES, A TRANSCRIPT OR VERIFICATION OF NONFILING MAY BE REQUESTED FROM THE IRS (FORM 4506 AVAILABLE UPON REQUEST OFR IRWS.GOV)
5. IF SELF EMPLOYED, INCLUDE YEAR-TO-DATE PROFIT AND LOSS STATEMENT AND LAST FOUR (4) QUARTERLY TAX PAYMENT DOCUMENTS

EVIDENCE OF INCOME

1. LAST 30 DAYS OF APPLICANT(S) AND PERSONS WITHIN HOUSEHOLD WHO EARN INCOME:
 - a. PAYROLL STUBS
 - b. ALIMONY
 - c. CHILD SUPPORT
 - d. SOCIAL SECURITY
 - e. PENSION
 - f. DISABILITY (MAY BE REQUIRED TO SUBMIT EVIDENCE OF DISABILITY)
 - g. UNEMPLOYMENT
 - h. OTHER
 - i. CHILD 18 YEARS OR OLDER AND A FULL TIME STUDENT, PLEASE PROVIDE 30 DAYS OF INCOME AND A LETTER FROM THE EDUCATIONAL INSTITUTION INDICATING STUDENT'S FULL TIME STATUS
2. VERIFICATION OF INCOME
 - a. LETTER FROM EMPLOYER/SUPERVISOR INDICATING LENGTH OF EMPLOYMENT, CURRENT SALARY, ANY BONUS OR COMMISSIONS APPLICANT HAS BEEN OR MAY BE ELIGIBLE FOR ON AN ONGOING BASIS. INCLUDE DIRECT TELEPHONE NUMBER OF EMPLOYER/SUPERVISOR TO VERIFY INCOME.

**DOCUMENT CHECKLIST FOR REQUIRED INFORMATION FOR
(FTHB) FIRST TIME HOMEBUYERS (CONTINUED)**

LIABILITIES

PROVIDE COPIES OF TWO (2) MOST RECENT STATEMENTS AUTO LOAN/LEASE(S)

- a. CREDIT CARD(S)
- b. PERSONAL LOAN
- c. DEPARTMENT STORE
- d. OTHER (DESCRIBE)

A) THEN WHEN YOU HAVE A HOUSE THAT YOU ARE PURCHASING, WE WOULD ALSO NEED THE FOLLOWING INFORMATION TO PRESENT TO THE LOAN REVIEW COMMITTEE(PLEASE NOTE-THE LOAN REVIEW COMMITTEE ONLY MEETS ONCE A MONTH-THE FIRST TUESDAY OF THE MONTH):

1. PURCHASE AND SALES AGREEMENT

THIS FOLLOWING FORM MUST BE INCLUDED WITH THE PURCHASE AND SALES AGREEMENT

(IF YOU DO NOT COMPLETE THIS FORM, OUR OFFICE WILL NOT BE ABLE TO PROCESS YOUR APPLICATION)

- a. DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS.

2. CERTIFIED PROPERTY APPRAISAL

3. HOME INSPECTION REPORT (COMPLETED BY A LICENSED HOME INSPECTOR)

4. LETTER FROM LANDLORD

5. GUIDEFORM NOTICE-DISCLOSURE TO SELLER WITH VOLUNTARY, ARM'S LENGTH PURCHASE OFFER

