TRI-CITIES HOME CONSORTIUM

KENNEWICK · PASCO · RICHLAND

2020

Homeowner Assistance Guidelines

&

Downpayment Assistance Application

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No qualified person shall be denied the benefits of, the participation in, or be subjected to discrimination under any program or activity funded by the Tri-Cities HOME Consortium on the basis of race, color, national origin, sex, religion, disability or familial status.

EQUAL HOUSING OPPORTUNITY

ASSISTANCE GUIDELINES

Program Overview

The **Tri-Cities HOME Consortium** has designed the "Downpayment Assistance" (DPA) loan program to help low to moderate-income eligible households with down payment and closing cost assistance to purchase their first home. The **Tri-Cities HOME Consortium** will provide up to a maximum of $10,000 in downpayment and closing cost assistance, after seller concessions and lender credits. Funds are available from each City on a first-come, first-served basis.

To participate in the program, the borrower(s) is required to provide a minimum contribution of one (1) percent or $1,000 (whichever is greater) towards the purchase price of the home. Escrow funds, professional inspections and other items paid outside of closing by borrower(s) may count towards the borrower's minimum contribution. Gift funds will not be considered towards the borrower(s) minimum contribution. Borrower(s) must also complete a first-time homebuyer education class.

An applicant(s) must demonstrate a need for program funding. Only a reasonable and necessary amount of DPA funds will be invested to provide affordable housing. An applicant with twenty (20) percent or more to invest will not be eligible for the program. Nor, will an applicant that has more than $10,000 in liquid assets after the purchase will be eligible for funding. Borrower(s) will be responsible for all costs above and beyond the amount of the down payment assistance financing.

The applicant and property must meet all qualifications, guidelines, rules and regulations as set forth in the application and the downpayment underwriting guidelines to be eligible to participate in this program. The **Tri-Cities HOME Consortium** reserves the right to refuse applicant(s) based upon failure to meet any or all program guidelines and/or if the applicant is getting financed through a high-risk loan product.

The applicant must meet all qualifications of their lender and will be responsible for all costs above and beyond the amount of the down payment assistance financing.

Loan Terms

The assistance is in the form of a 0% interest deferred forgivable loan, secured with a Promissory Note and Deed of Trust, placed in second position that will be recorded in conjunction with the main lender's loan closing**.**

- ***The loan is forgivable upon completion of the six (6) year Period of Affordability and Occupancy requirements.***
- ***Repayment will occur upon sale, refinance, transfer, failure of borrower(s) to occupy as principal place of residence, or non-compliance with the loan agreement during the Period of Affordability and Occupancy requirements. Sale or transfer includes actual or attempted sale by contract, assignment, lease, rental or other conveyance of the property to a person other than the borrower(s), whether by gift or value. Sale or transfer also includes any further voluntary or involuntary encumbrance of the property by the borrower, except an encumbrance by a government agency in the form of an assessment for streets, sidewalks, lighting or sewer, so long as the borrower pays such assessments when due. A surviving borrower, upon the death of another co-borrower, can assume the loan.***

Program Criteria

- The program is open to U.S. Citizens and Permanent Resident Aliens borrower(s) and their household members. Evidence of legal residency may be obtained from the Bureau of Citizenship Immigration Services (BCIS).
- The applicant must be a first-time homebuyer. The term "first-time homebuyer;" "displaced

homemaker" and "single parent" are defined below and are defined at 24 CFR 92.2:

1. A first-time homebuyer is an individual and his or her spouse who have not owned a home during the three year period prior to purchase of a home with DPA assistance.
2. A displaced homemaker is an individual who: is an adult; has not worked full-time full-year in the labor force for a number of years but has, during such years worked primarily without compensation to care for the home and family; and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.
3. A single parent is an individual who: is unmarried or legally separated from a spouse; has one or more children of whom the individual has custody or has joint custody where the children reside fifty-one (51) percent of the time in household.

Borrower(s) who have co-signed for a mortgage and where Title is in their name and where the credit report exhibits a mortgage will not qualify as a first-time homebuyer.

- Co-signers are not allowed.

- The borrower(s) agree to occupy property as their primary/principal residence for the six (6) year Period of Affordability and Occupancy requirements. Primary/Principal residence is defined as a single dwelling house or other dwelling unit that is the place of residence, at which at least one natural person who constitutes the legal owner(s) of the housing unit, predominantly resides for more than 183 days each year.

- The applicant must have a fully executed purchase agreement with the seller of the property. Purchase agreement should be contingent on Downpayment Assistance Program financing and HQS property qualification.

- Income level of the applicant and all household members 18 years and over must be equal to or less than 80% of the median income established by HUD for the Kennewick/Pasco/Richland MSA. **All persons residing in the household are included in household size, regardless of age or relationship to the borrower.**

2020 Maximum Income Limits (July 1, 2020)
(These limits will be adjusted by HUD periodically)

HOUSEHOLD SIZE	MAXIMUM INCOME		HOUSEHOLD SIZE	MAXIMUM INCOME
1 Person	$43,400		5 people	$67,000
2 People	$49,600		6 People	$71,950
3 People	$55,800		7 People	$76,900
4 People	$62,000		8 People	$81,850

- Income/Employment requirement; minimum of two (2) months documented and verifiable source of steady income.

- Monthly payment of principal, interest, taxes and insurance (PITI) should not be more than 30%, based on gross monthly income.

- Borrower(s) must have a minimum credit score of 620 to participate in the program. Total debt to income ratio may not exceed 41% (with an exception of 43% with a credit score of 660 or better). A credit report from the lender will be used to verify these figures. Student loan debt in deferment, will be included when calculating a borrower(s) overall debt ratio.

- Borrower(s), including non-borrowing spouses, must demonstrate a credit history of responsible borrowing and repayment. No bankruptcy in prior two-year period of application. No foreclosures within the previous three-year period of application. No more than two thirty-day past due accounts within the past year of application. No sixty or ninety-day past due accounts within the past year of application. ***No unresolved charge off, collections, including medical, judgments, garnishments or liens.***

Property Qualification

- The property being purchased must be a single-family residential dwelling, (1-unit) or Condominium. A manufactured home must be on a permanent foundation, must be located on land owned by the manufactured home owner and must be connected to permanent utility hook-ups.

- Must have Fee Simple Title.

- The sales price may not exceed 95% of the current median purchase price for the area, approved by HUD 24 CFR 92.254(a)(2)(iii) as of **April 1, 2020:**

City Location	Existing Homes	*New Construction
Kennewick and Richland	$243,000	$263,000
Pasco	$247,000	$260,000

*New construction considered built within one year of sale

- The purchase price of a property may not exceed the appraised value of the property.

- During the period the property is offered for sale and at the time of sale, the dwelling must be vacant, occupied by the buyer, or occupied by the seller. In no case shall a tenant be displaced by the sale. This must be confirmed in writing by the seller of the property prior to receipt of the down payment assistance.

- The property must be located within the city limits of Kennewick, Pasco or Richland and on City water and sewer services regardless of the City you chose to reside within.

- A Housing Quality Standard (HQS) inspection will be conducted by City staff to ensure the property meets minimum Housing Quality Standards. ***THE HQS INSPECTION DOES NOT SUBSTITUTE FOR A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.***

- The Consortium reserves the right to disqualify a property that does not pass minimum housing quality standards without further consideration for down payment assistance. Additional HQS inspections may be required if staff allows for minor repairs and modifications of property as required to pass the HQS inspection.

- The property must pass a Lead Based Paint visual inspection (if home built prior to 1978). Any cracking, peeling, chipping or chalking paint on any and all interior or exterior structures (i.e. home, garage, shed & fence) will disqualify the home; *unless an EPA-certified lead-based paint inspector provides a report and or clearance stating the home is free of lead based paint hazards at the seller(s) expense.*

Property Standards

The Department of Housing and Urban Development (HUD) regulations set forth basic Housing Quality Standards (HQS), which all homes must meet before federal assistance can be provided. ***THE HQS INSPECTION DOES NOT SUBSTITUTE FOR A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.*** The HQS Inspection includes the following, but is not limited to:

All Rooms:

- No peeling, chipping, flaking or chalking paint on the inside or outside of the home nor on any detached structures;
- No mold;
- No holes or cracks (of any size) that result in drafts, severe buckling, or deterioration in walls, ceilings or floors;
- No broken windows;
- Flooring sound and free from hazardous defects;
- All windows must have locks if they are below 6' from the ground or can in some way be reached from the outside of the home;
- All electrical outlets must have faceplates;
- No broken, frayed or exposed wiring;
- No roaches or mice; and
- Space heaters must be vented or have manufacturers label affixed to the heater.

Living Room, Bedrooms (must have):

- At least one window that opens, basement bedroom windows must be to code; and
- At least one (1) light and one (1) electrical outlet or two (2) electrical outlets.

Kitchen (must have):

- At least one (1) permanent light fixture, one (1) electrical outlet and enough room and space to prepare food;
- Working stove;
- Working refrigerator;
- Sink with hot and cold running water (separate from the bathroom sink).

Bathroom (must have):

- A window that opens or a working ventilation unit;
- One (1) permanent light fixture;
- A working flushable toilet;
- Tub or shower unit with hot and cold running water; and
- Sink with hot and cold running water (separate from the kitchen sink).

Miscellaneous (must have):

- Smoke detectors in each bedroom and each hallway;
- Carbon Monoxide detector(s) in area leading to sleeping area, such as hallway(s);
- Roof and foundation that does not leak;
- Handrails if the porch is over 30'' high or has four (4) or more steps to enter the home;
- Approvable water and sewer services;
- Plumbing that does not leak;
- Water heater with downward pipe on the pressure relief valve, at least 3'' to 6'' from the floor;
- Water heater must be enclosed if it is located in a living area of the home; and
- At least two (2) exits from the home in case of fire and a private entrance.

Procedure

1. ***Applicant, Co-applicant and/or non-borrowing spouse*** are required to complete a **HUD-approved counselor and housing counseling agency first-time homebuyer education class**. The Consortium will only accept the class offered through Washington State Housing Finance Commission (WSHFC) who meets these requirements. Visit http://www.wshfc.org/buyers/education.htm for dates and times in our area.

2. DPA funds will not be released until a certificate of completion is presented to the Program Coordinator.

   The certificate of completion is valid for two years from completion of the class.

2. Visit a local bank, credit union or mortgage broker to find out how much money you are qualified to borrow **and** can comfortably afford. There is no commitment by the lender at this point to lend to you.

3. Select a home inside the Richland, Kennewick or Pasco City limits and within your pre-qualified loan amount. Sign a Purchase & Sales Agreement with the seller, **contingent** on Tri-Cities HOME Consortium HQS property qualification and Downpayment Assistance Program financing. It is suggested a Realtor be used to help with this process, but you may deal directly with the owner.

4. Return to the lender to begin the mortgage approval. Take in the loan application so that the lender can complete Part A and know the documents that will be required by the City for the loan process.

5. **COMPLETE the application prior to making an appointment with the City's Program Coordinator.** Call the appropriate City for an appointment to begin the review of your eligibility and to ensure availability of funds. The Consortium requires co-applicants/spouses to be named on Downpayment documents; therefore, all applicants **and** their spouse/partner (even if they will not be named on the first mortgage) must meet with City staff to verify eligibility.

6. City staff will inspect the property to ensure it meets minimum Housing Quality Standards. Failure to meet minimum standards may disqualify the property from receiving DPA funds.

7. Upon meeting or failure to meet program criteria, including applicant and property requirements, a letter of denial or preliminary approval will be mailed to the applicant and lender.

8. Upon approval, the lender will provide a copy of the preliminary title report, appraisal, and an insurance binder listing the appropriate City as a loss payee prior to release of DPA funds.

9. Upon final approval, loan closing documents and the DPA funds will be released to the closing agent.

For more information or Requests for Accommodations:
Accommodations will be provided, to the maximum extent feasible, to meet the needs of non-English speaking, deaf and hearing impaired and visually impaired persons. HUD will make arrangements to provide an interpreter, a signer or a reader upon request, if such a request is made at least 72 hours prior. If you need additional accommodations, please call or e-mail 72 hours in advance at the contact information listed below.

City of Richland	City of Kennewick	City of Pasco
Michelle Burden	Alisha Piper	Angie Pitman
625 Swift Boulevard	210 W. 6th Avenue	525 N. Third Avenue
Richland, WA 99352	Kennewick, WA 99336	Pasco, WA 99301
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mburden@ci.richland.wa.us	Alisha.piper@ci.kennewick.wa.us	PITMANA@pasco-wa.gov

The Fair Housing Act prohibits discrimination in housing because of race or color, national origin, religion, sex, familial status and handicap (disability). In addition, it is illegal to threaten, coerce, intimidate or interfere with anyone exercising a fair housing right. If you feel you have been discriminated against, contact any of the above listed City Staff or the nearest HUD field office location at the Fair Housing Enforcement Center in Seattle, Washington, (206) 220-5170, 1-800-877-0246, or TTY (206) 220-5185.

I CAN CHOOSE WHERE I LIVE

WHAT YOU SHOULD KNOW ABOUT YOUR HOUSING RIGHTS

Fair Housing Information brought to you by the Tri-Cities HOME Consortium

The U.S. Department of Housing and Urban Development (HUD) enforces the Fair Housing Act, which protects you against violations of your housing rights. The Fair Housing Act prohibits discrimination in housing because of race, color, religion, sex, handicap, familial status, or national origin. The Fair Housing Act covers most housing with very few exceptions. It prohibits discrimination in the sale and rental of housing, and in mortgage lending.

What is Prohibited?

No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

• Refuse to rent or sell housing.	• Impose different terms or conditions on a loan.
• Refuse to negotiate for housing.	• Discriminate in appraising property.
• Deny a dwelling.	• Refuse to purchase a loan.
• Set different terms, conditions, or privileges for sale or rental of a dwelling.	• Set different terms of conditions for purchasing a loan.
• Provide different housing services or facilities.	• Refuse to let you make reasonable modifications to your dwelling or common areas, at your expense, if necessary for a person with a disability to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move).
• Falsely deny that housing is available for inspection, sale or rental.	• Refuse to make reasonable accommodations in rules, policies practices, or services if necessary for a person with a disability to use the housing.
• For profit, persuade owners to sell or rent (Blockbusting).	• Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.
• Refuse to make a mortgage loan.	• Refuse to provide information regarding loans.

IF YOU THINK YOUR RIGHTS HAVE BEEN VIOLATED

HUD IS READY TO HELP WITH ANY PROBLEM OF HOUSING DISCRIMINATION. IF YOU THINK YOUR RIGHTS HAVE BEEN VIOLATED, YOU MAY FILL OUT A HOUSING DISCRIMINATION COMPLAINT FORM, WRITE HUD A LETTER, OR TELEPHONE THE HUD DISCRIMINATION HOTLINE AT 1-800-669-9777 (VOICE) OR 1-800-927-9275 (TTY).

FOR FURTHER INFORMATION

Fair Housing – Equal Opportunity for All provides an overview of the Fair Housing Act, explains what happens when you file a complaint, and contains a Housing Discrimination Complaint Form. To obtain a copy, contact a Consortium Staff member, or the HUD office nearest you. You may also call the Customer Service Center 1-800-767-7468; deaf or hard of hearing persons may access this telephone number via TTY through the Federal Relay Service @ 1-800-877-8339, or visit HUD's website at www.hud.gov/fairhousing.

EQUAL HOUSING OPPORTUNITY

PART A – PRIMARY LENDER INFORMATION

TO BE REVIEWED, COMPLETED AND SUBMITTED BY LENDER WITH DOWN PAYMENT ASSISTANCE APPLICATION:

Borrower: _____ Co-Borrower: _____

Expected closing date: _____

Lender/Address: _____

Loan Officer: _____ Email: _____

Phone #: _____

Loan Processor: _____ Phone #: _____

Email: _____

An applicant who is a first-time homebuyer, whose household income is at or below 80% area median income and whose debt to income ratios fall within the program limits may qualify for the Tri-Cities HOME Consortium Downpayment Assistance program. **The Tri-Cities HOME Consortium will provide up to a maximum of $10,000 in downpayment and closing cost assistance after seller concessions and lender credits.**

Other program rules apply:

- First Mortgage Product type: fixed rate 30-year fully amortizing loans only. Balloon, interest-only, adjustable rate, negatively amortizing loans, temporary buy-downs, or loans with prepayment penalties are not allowed.
- Maximum sales purchase price may not exceed 95% of the current median purchase price for Kennewick, Richland and Pasco, established by HUD.
- Additional Liens: liens other than the approved First Deed and the City loan are not allowed with the exception of Washington State Housing Finance Commission HomeChoice product and/or Federal Home Loan Bank AHP.
- Lender Fees: Maximum fees to the Buyer of 1.75% origination, lender and/or discount points No other Broker or Administration fees are allowed. Other 3rd party fees that are reasonable and customary are allowable.
- Applicants who have twenty (20) percent or more to contribute towards the purchase of a home will not be eligible for DPA.

- Applicants who will have more than $10,000 in liquid assets after the purchase of a home will not be eligible for DPA.
- Borrower(s) is required to provide a minimum contribution of one (1) percent or $1,000 (whichever is greater) towards the purchase price of the home. Escrow funds, a professional inspection and other eligible charges paid outside of closing by borrower(s) may count towards the borrower's minimum contribution.
- Gift funds will not be considered towards the borrower(s) minimum contribution.
- Borrower(s) and Non-Borrowing spouses must be in good credit standing with a minimum credit score of 620 in order to participate in the DPA program.
- PITI should not be more than 30% of income.
- DTI may not exceed 41%. The Consortium will allow 43% overall with a credit score of 660 or better.

In order to help qualify the applicant, the following lender documentation is required as part of the down payment program and must be included as part of this application:

- ☐ Part A – Primary Lender Information sheet
- ☐ Copy of Pre Approval Letter
- ☐ Copy of Loan Estimate
- ☐ Copy of Corrected/Updated 1003 Uniform Residential Loan Application (borrower(s) signed)
- ☐ Copy of borrower(s), including non-borrower spouse Credit Report
- ☐ Copy of gift letter(s)
- ☐ Copy of Verification of Employment (***when available***)
- ☐ Copy of Title Report (***when available***)
- ☐ Copy of Appraisal (***when available***)

PART B – BORROWER/APPLICANT LOAN INFORMATION
(Must be completed by the Applicant(s)/Borrower(s))

Borrower		Co-Borrower	
Name (include Jr. or Sr. if applicable)		Name (include Jr. or Sr. if applicable)	
Social Security Number	DOB (mm/dd/yyyy)	Social Security Number	DOB (mm/dd/yyyy)
I am a: □ US Citizen □ US Non-Citizen National □ Qualified Alien		I am a: □ US Citizen □ US non-citizen national □ Qualified Alien	
□ Married □ Separated □ Unmarried (including single, divorced, widowed)		□ Married □ Separated □ Unmarried (including single, divorced, widowed)	
Email Address:		Email Address:	

A married couple will be required to sign the City's Deed of Trust and Promissory Note, regardless of a borrower purchasing the home as his or her separate estate.

Present Address (street, city, state, zip)		Present Address (street, city, state, zip)	
Home #: (incl. area code)	Alt. #: (incl. area code)	Home #: (incl. area code)	Alt. #: (incl. area code)

HOUSEHOLD INFORMATION

Household Size (total number of people who will be residing in the home) _____

List **EVERY PERSON** who will be residing in your home including yourself:

Last, First, M.I.	Relationship to Borrower(s)	Age	US Citizen, US Non-Citizen National or Qualified Alien	*Social Security #	Full-time Student
	Borrower		Information provided above		□ Yes □ No
	Co-Borrower		Information provided above		□ Yes □ No
			□ US Citizen □ US Non-Citizen National or □ Qualified Alien		□ Yes □ No
			□ US Citizen □ US Non-Citizen National or □ Qualified Alien		□ Yes □ No
			□ US Citizen □ US Non-Citizen National or □ Qualified Alien		□ Yes □ No
			□ US Citizen □ US Non-Citizen National or □ Qualified Alien		□ Yes □ No
			□ US Citizen □ US Non-Citizen National or □ Qualified Alien		□ Yes □ No

* Valid Social Security Number required for each household member six (6) years of age or older.

Borrower(s) and all household members must be US citizen, US Non-citizen national or qualifying aliens to receive DPA HOME funding

2020 HOME Income Guidelines - Effective July 1, 2020

Maximum Gross Household Income Limit

Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% Max.	**$43,400**	**$49,600**	**$55,800**	**$62,000**	**$67,000**	**$71,950**	**$76,900**	**$81,850**

EMPLOYMENT AND INCOME INFORMATION			
Income Sources include: Employment, Seasonal Employment, Bonus/Tips/Commission, Social Security, Supplemental Social Security Income, Unemployment, Educational Benefits, Public Assistance, Pension, Child Support, Alimony, Rental Property Income, Dividend/Investment Income, Pension and Other.			
Borrower:		Co-Borrower:	
Name & Address of Employer:		Name & Address of Employer:	
Date Hired: ____/____/____		Date Hired: ____/____/____	
Status: ☐ Full-Time ☐ Part-Time ☐ Seasonal		**Status:** ☐ Full-Time ☐ Part-Time ☐ Seasonal	
Pay Rate:	☐ Hourly **OR** ☐ Salaried	**Pay Rate:**	☐ Hourly **OR** ☐ Salaried
Pay Frequency:	☐ Weekly ☐ Bi-Weekly ☐ Bi-Monthly ☐ Monthly	**Pay Frequency**:	☐ Weekly ☐ Bi-Weekly ☐ Bi-Monthly ☐ Monthly
Monthly Gross Income	$	Monthly Gross Income	$
Overtime	$	Overtime	$
Tips	$	Tips	$
Bonuses	$	Bonuses	$
Commissions	$	Commissions	$
Other	$	Other	$
Other	$	Other	$
TOTAL	**$**	**TOTAL**	**$**
		I certify that as the co-borrower I do not have any sources of income, nor do I anticipate receiving an income during the next twelve (12) month period. _____ **Co-Borrower Signature**	

OTHER INCOME, INCLUDING HOUSEHOLD MEMBERS 18 YEARS AND OVER		
Last, First, M.I.	Gross Monthly Income	Source of Income
	$	
	$	
	$	

The following information is requested for statistical purposes so that HUD may determine the degree to which its programs are being utilized by minority families and for other evaluation studies.

Do you currently live in public housing or receive rental assistance? □ Yes □ No

Type of Household (select one of the following based on the Head of the Household):

□ Single, non-elderly □ Two Parents
□ Single Parent □ Other _____
□ Elderly

Ethnicity of Household Members (select only one of the following):

□ Hispanic or Latino □ Not Hispanic or Latino

Race of Household Members (select all that apply):

□ White
□ Black/African American
□ Asian
□ American Indian/Alaskan Native
□ Native Hawaiian/Other Pacific Islander
□ American Indian/Alaskan Native & White
□ Asian & White
□ Black/African American & White
□ American Indian/Alaskan Native & Black/African American
□ Other Multi-racial

Do you consider yourself handicapped (physically, mentally, or sensory)? □ Yes □ No

ASSETS AND LIABILITIES				
Type of Assets	**Value**	**LIABILITIES**	Mo. Payment	Unpaid Balance
Gift funds to be used towards the purchase of the property		Name of Company		
Source:	$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	$	Acct. No.:		
Name & Address of Bank, S&L or Credit Union		Name of Company		
Acct. No.	$	Acct. No.:		
Stock & Bond Company Name	$	Name of Company		
Real Estate owned (enter market value)	$	Acct. No.:		
Vested Interest in Retirement Fund	$	Name of Company		
Net worth of business(es) owned Attach Financial statement	$			
TOTAL ASSETS	$	Acct. No.:		
To be eligible for assistance, borrower(s) may not have liquid assets (other than funds to be used in the purchase of a home) in excess of ten thousand dollars ($10,000). Liquid Assets are defined as assets that can be readily converted to cash and include such assets as checking and savings accounts, certificates of deposit, money market account, stocks, bonds and profit sharing accounts (if funds can be withdrawn without penalty).		**TOTAL MO. PAYMENTS**	$	

DECLARATIONS	Borrower	Co-borrower <u>or</u> Non-borrowing Spouse
All outstanding debt collections and judgments have been satisfied?	□ Yes □ No	□ Yes □ No
Have declared bankruptcy within the previous two (2) year period?	□ Yes □ No	□ Yes □ No
More than 2 late payments of 30 days during most recent 12 month period?	□ Yes □ No	□ Yes □ No
1 or more late payments of 60 or 90 days during most recent 12 month period?	□ Yes □ No	□ Yes □ No
Have not disposed of any real property within the last three (3) years?	□ Yes □ No	□ Yes □ No
Have had a property foreclosed on within the previous three (3) year period?	□ Yes □ No	□ Yes □ No

NON BORROWER – CERTIFICATION OF INCOME
(Must be completed by individuals 18 years and older who will be residing in the home)

This form is designed to document household size/income information for individuals who are not borrowers and who are 18 years or older and will be residing in the home. (Please make copies for additional household members)

Provide the following information:

Print Full Name: _____

S. S. Number: _____ Date of Birth: _____/_____/_____

Check all boxes that apply:

□ I am not a co-borrower, but I acknowledge that I am being included as a household member on the borrower(s) application and,

□ I **have** sources of income, which may include; wages from employment, public assistance, Social Security, SSI, Child Support, operation of a business, rental income from real or personal property, unemployment or disability, alimony, veterans benefits. **Attach the following documentation; *2 months current paystubs; income award letter; 6 month current bank statements, retirement account statements and current 2 years Tax Returns, with all W-2's and schedules)***

□ I **do not** have any sources of income nor do I anticipate a change to my financial status (income) or employment status during the next twelve (12) month period (i.e., not working, stay at home parent, etc.)

OR

□ I am not a co-borrower, I am a full-time student, 18 years or older and I acknowledge that I am being included as a household member on the borrower(s) application and,

□ I **have** sources of income, which may include; wages from employment, public assistance, Social Security, SSI, Child Support, operation of a business, rental income from real or personal property, unemployment or disability, alimony, veterans benefits. **Attach the following documentation; *2 months current paystubs; income award letter; 6 month current bank statements, retirement account statements and current 2 years Tax Returns, with all W-2's and schedules)***

□ I **do not** have any sources of income nor do I anticipate a change to my financial status (income) or employment status during the next twelve (12) month period (i.e., not working, stay at home parent, etc.)

By signing, I certify that the information provided to the Tri-Cities Consortium is true, correct and complete.

_____ _____

Signature Date

PART C – BORROWER / APPLICANT DECLARATIONS AND CERTIFICATIONS
(Must be completed by the Applicant(s) / Borrower(s))

Please read and initial the appropriate boxes and sign below.

Borrower Initials	Co-Borrower Initials	
I (we) am a qualified first-time home buyer because:		
		I have not owned a home during the past 3 years; or I am a displaced homemaker.
A displaced homemaker is an adult individual who 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 is experiencing difficulty in obtaining or upgrading employment.		
OR		
		I am a single parent.
A single parent is an individual who is unmarried or legally separated from a spouse; and has one or more minor children of whom the individual has custody or joint custody where the child/children resides fifty-one (51) percent of the time.		
		I (we) understand that the Consortium will project out household gross income for the next 12 month period to determine eligibility to participate in the Down Payment Assistance Program.
		I (we) have completed a homeownership class that covered the risks and costs involved in buying and maintaining a home and the risks involved with lead hazards in homes built prior to 1978.
		I (we) certify that we will occupy the property as our principal residence throughout the six (6) year Period of Affordability and Occupancy requirements.
		I (we) understand that this will be a zero percent interest, deferred forgivable loan of up to $10,000. Loan will become due and payable subject to the terms and conditions of the Deed of Trust and Promissory Note.
		I (we) understand that this application shall remain the property of the Consortium to which it is submitted for the purpose of obtaining a loan.
		I (we) certify that I (we) have the resources and will invest a minimum of one (1) percent or $1,000 (whichever is greater) towards the purchase price of the home in order to participate in the Down Payment Assistance Program. I (we) understand that the down payment must be from personal resources, must be included in the Closing Disclosure and Settlement Statement at closing and that other contributions and gift funds do not qualify as part of my personal contribution.
		I (we) certify that we do not have liquid assets (other than funds to be used in the purchase of this home) that will exceed ten thousand dollars ($10,000) after purchase.
		I (we) certify that we do not have any interest in any other real estate.
		I (we) certify that we do not have any interest in any businesses other than the source(s) of income shown on this application.

I declare under penalty of law that the information given by me/us in this application is true, correct and complete to the best of my/our knowledge and belief and realize that false statements or misrepresentation by me/us may subject me/us to penalties as provided in Washington State Law RCW 74.08.055. I further understand that if I/we have willfully misrepresented any information, I/we may be disqualified from participation in the Homeownership Assistance Program.

Signature of Borrower Date Signature of Co-Borrower Date

PART D – BORROWER / APPLICANT RELEASE OF INFORMATION
(Must be completed by the Applicant(s) / Borrower(s))

To Whom It May Concern:

I/we hereby authorize you to release to the Tri-Cities HOME Consortium the following information:

1. Current, previous and past employment history, including employer, period employed, title of position, income and hours worked.
2. Income from all sources, including but not limited to, wages, unemployment benefits, pension benefits, interest income, income from rental properties, social security, disability, child support, maintenance, public assistance, and any other sources.
3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

This information will be for the confidential use of the Tri-Cities HOME Consortium or the U.S. Department of Housing and Urban Development in determining my/our eligibility for a loan from one of the Consortium's housing programs, or to confirm information that I/we have supplied.

A photo or fax copy of this authorization, bearing a copy of the signature(s) of the undersigned may be deemed to be the equivalent to the original hereof and may be used as a duplicate original.

Borrower:	**Co-Borrower:**
_____	_____
Last, First, M.I.	Last, First, M.I.
_____	_____
Social Security #	Social Security #
_____	_____
Date of Birth	Date of Birth
_____	_____
Place of Birth	Place of Birth
_____	_____
Address	Address
_____	_____
City, State, Zip	City, State, Zip
_____	_____
Signature Date	Signature Date

PART E - Property Information
(Must be completed by Realtor and/or Borrower(s))

Property Address:	Year Built	Purchase Price $ **Purchase price may not exceed:** **Benton County: $243,000 existing home/$263,000 new construction** **Franklin County: $247,000 existing home/$260,000 new construction**
The Property is Currently: □ Vacant □ Owner Occupied □ Occupied by Borrower(s) ***A RENTAL PROPERTY OCCUPIED BY TENANT(S) IS NOT ELIGIBLE AND WILL NOT BE CONSIDERED.***		
Seller(s) Name and Address:	Type of Property: □ Single Family, 1-unit □ Condo □ Manufactured Home (Certain restrictions apply) Number of Bedrooms/Baths:_____/_____	

Buyers Agent:	Phone #:	Email address:
Selling Agent:	Phone #:	Email address:
Escrow Company:	Phone #:	Email address:

PART F – Required Submittals and Documentation
(Lender/Applicant must submit forms and documents with Application as indicated)

CHECK ITEMS INCLUDED	**THESE ITEMS ARE REQUIRED FOR FILE**	**CITY USE ONLY**
☐	This Checklist	☐
☐	Primary Lender Loan Information sheet - **obtain from lender**	☐
☐	Pre Approval Letter - **obtain from lender**	☐
☐	Loan Estimate - **obtain from lender**	☐
☐	Corrected/Updated 1003 Uniform Residential Loan Application (borrower(s) signed) – **obtain from lender**	☐
☐	Copy of Gift Letter(s) - **obtain from lender**	☐
☐	Copy of borrower(s) and Non borrower spouse Credit Report - **obtain from lender**	☐
☐	Completed DPA application	☐
☐	Copy of Social Security Card for each household member six (6) years of age or older	☐
☐	If applicable: Copy of Permanent Resident Card for each household member	☐
☐	Copy of Drivers License for borrower(s)	☐
☐	Certificate of completion of a HUD approved homebuyer training class **(must be completed prior to closing)**	☐
☐	Copy of the fully executed Purchase & Sales Agreement, LBP Disclosure, Addendums and Sellers Disclosure Statement – **obtain from realtor**	☐
☐	02-City Addendum to Purchase & Sale Agreement; Notice of Voluntary Arm's Length Transaction	☐
☐	03a **or** 03b- City Addendum to Purchase & Sale Agreement; Housing Quality Standards and Lead Hazard contingencies	☐
☐	2 months current paystubs* and other income source documentation (every household person 18 years or older) *Depending on job type, more may be required to establish a trend	☐
☐	2 years current signed and dated copies of Federal Income Tax returns, W-2's and all schedules	☐
☐	6 months current bank statements	☐
☐	Current Retirement Account Statements	☐

Documents that must be submitted as soon as available and prior to closing:

- VOE – Lender provided
- Copy of preliminary title report and contact person from closing/title company
- Appraisal Report
- Insurance Binder naming the appropriate City as loss payee endorsement
- If applicable: Professional Inspection Report
- Other documentation required by the DPA program or by federal or state law

Bring completed file and documentation to the Housing Appointment

FOR CITY USE ONLY

Date Application was received:_____

APPROVED ☐ **DECLINED** ☐

Comments:

The following forms must be included as part of your application for Down Payment Assistance.

MUST BE COMPLETED PRIOR TO THE FULLY EXECUTED PURCHASE AND SALES AGREEMENT

□ Form 02 - Notice of Voluntary Arm's Length Transaction. (Signed by Buyer & Seller)

AND

□ Form 03(a) Built post 1978 - Housing Quality Standard. (Signed by Buyer & Seller)

OR

□ Form 03(b) Built pre 1978 - Housing Quality Standard and Lead Hazard Contingencies. (Signed by Buyer & Seller)

EQUAL HOUSING OPPORTUNITY

ADDENDUM TO SALES AGREEMENT

Form 02

Notice of Voluntary Arm's Length Transaction

EQUAL HOUSING OPPORTUNITY

This addendum is required for funding under all Tri-Cities HOME Consortium homeownership assistance programs

ADDENDUM Number: ___ to the Purchase and Sales Agreement Dated: _____

Seller(s): _____ _____

Buyer(s): _____ _____

Address of property: _____

The Buyer wishes to purchase the property identified above if a satisfactory agreement can be reached. The Buyer has applied to use federal funds to assist with the acquisition of the property. The information contained in this addendum is being disclosed to meet the requirements of the federal Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended (URA).

Seller and Buyer acknowledge and agree that the purchase of this property, using Consortium homeownership assistance funds, is subject to and shall be completely contingent upon the following:

1. This transaction is considered to be a voluntary acquisition (a willing seller who does not have to sell and a willing buyer who does not have to buy) under the URA.
2. The Buyer will not acquire the property offered for sale if negotiations fail to result in a satisfactory agreement. The Buyer does not have the right of eminent domain, nor will the Seller's property be acquired through condemnation.
3. The Buyer is prepared to purchase the property for $ _____, which we believe represents the estimated fair market value or the agreed upon purchase price.
4. The fair market value will be determined by a licensed certified appraiser in Washington State. The cost of the appraisal will be the responsibility of the Buyer. The Seller will receive notice via certified mail of valuation prior to the scheduled closing of the property.
5. If fair market value differs from agreed upon purchase price, Seller has the right to withdraw from the sale with this Buyer.
6. **Tenant occupied properties are not eligible for federal assistance.**

   A tenant occupied property includes properties currently occupied or formerly occupied by a tenant who was issued a notice to vacate or whose lease was not renewed by the property owner or the person in control of the site.

A tenant (49 CFR 24.2(a)(26)) is any person who has the temporary use and occupancy of real property owned by another, whether the person pays rent or not.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policy (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

ADDENDUM ACCEPTANCE

The Buyer and Seller understand that if the conditions of this Addendum are not met, either party may terminate the Purchase and Sales Agreement by notifying the other party by certified mail, return-receipt requested, that the Purchase and Sales Agreement is terminated.

The Buyer and Seller:

1) Voluntarily accept the conditions of this Addendum; and
2) Agree to amend the Purchase and Sales Agreement to include this Addendum.

Buyer's Signature	Date	Seller's Signature	Date
Buyer's Signature	Date	Seller's Signature	Date

OR
NON-ACCEPTANCE AND UNDERSTANDING

The Seller and/or Buyer understand the conditions of this Addendum and do not wish to amend the Purchase and Sales Agreement for the property identified in this Addendum and understand that no federal funds will be put into this project.

Buyer's Signature	Date	Seller's Signature	Date
Buyer's Signature	Date	Seller's Signature	Date

ADDENDUM TO PURCHASE & SALES AGREEMENT

Form 03(a)

Housing Quality Standard

and

Lead Hazard Contingencies

Houses Built PRIOR to 1978

EQUAL HOUSING OPPORTUNITY

EQUAL HOUSING OPPORTUNITY

This addendum is required for funding under all Tri-Cities HOME Consortium homeownership assistance programs

ADDENDUM Number: _____ to Purchase and Sales Agreement dated: _____

Seller(s): _____ _____

Print name Print name

Buyer(s): _____ _____

Print name Print name

Address of property: _____ Year Built: _____

_____ Number of Bedrooms:_____

Seller and Buyer acknowledge and agree that the purchase of this property, using Consortium homeownership assistance funds, is subject to and shall be completely contingent upon the following:

1) HOUSING QUALITY STANDARD INSPECTION OR PROPERTY STANDARDS: 24 CFR 982.401 or 24 CFR 92.251(2) requires that City staff perform an inspection of the house to ensure that the house meets the applicable property standards. All deficiencies noted in the inspection must be corrected. The house must be re-inspected and the house must meet all property standards prior to the release of DPA funds; and
2) LEAD-BASED PAINT: In accordance with 24 CFR 92.355, if the house was built prior to 1978, City staff must perform a visual paint assessment for signs of deteriorated paint which includes, cracking, peeling or chalking paint on property structures or in the soil.

   Deficiencies noted in the visual paint assessment will disqualify the buyer from using DPA funds for the purchase of the property.

_____ _____

Buyer's Signature Date Seller's Signature Date

_____ _____

Buyer's Signature Date Seller's Signature Date

THE HQS INSPECTION DOES NOT SUBSTITUTE A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.

EQUAL HOUSING OPPORTUNITY

ADDENDUM TO PURCHASE & SALES AGREEMENT

Form 03(b)

Housing Quality Standard

Houses Built AFTER 1978

EQUAL HOUSING OPPORTUNITY

This addendum is required for funding under all Tri-Cities HOME Consortium homeownership assistance programs

ADDENDUM Number: _____ to Purchase and Sales Agreement dated: _____

Seller(s): _____ _____

Print name Print name

Buyer(s): _____ _____

Print name Print name

Address of property: _____ Year Built: _____

_____ Number of Bedrooms:_____

Seller and Buyer acknowledge and agree that the purchase of this property, using Consortium homeownership assistance funds, is subject to and shall be completely contingent upon the following:

1) HOUSING QUALITY STANDARD INSPECTION OR PROPERTY STANDARDS: 24 CFR 982.401 or 24 CFR 92.251(2) requires that City staff perform an inspection of the house to ensure that the house meets the applicable property standards. All deficiencies noted in the inspection must be corrected. The house must be re-inspected and the house must meet all property standards prior to the release of City funds; and

_____ _____

Buyer's Signature Date Seller's Signature Date

_____ _____

Buyer's Signature Date Seller's Signature Date

THE HQS INSPECTION DOES NOT SUBSTITUTE A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.