

Waterloo Community Development



Homebuyer Assistance Program Application and Guidelines

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



Program Overview

Waterloo Community Development has designed the Homebuyer Assistance Program loan program to help low to moderate-income eligible households with down payment and closing cost assistance to purchase their first home. Waterloo Community Development will provide up to a maximum of \$25,000 in homebuyer assistance, after seller concessions and lender credits. Funds are available on a first-come, first-served basis. All HOME assistance is subject to the provisions found in HOME CFR 92.254(a).

To participate in the program, the borrower(s) is required to provide a minimum contribution of \$1,000 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 provided by a HUD approved counseling agency.

An applicant(s) must demonstrate a need for program funding. Only a reasonable and necessary amount of homebuyer 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 homebuyer assistance financing.

The applicant and property must meet all qualifications, guidelines, rules and regulations as set forth in the application and the homebuyer assistance underwriting guidelines to be eligible to participate in this program. Waterloo Community Development 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 homebuyer assistance financing.

Loan Terms

The assistance is in the form of a 0% interest deferred forgivable loan, secured with a Promissory Note and Forgivable Real Estate Mortgage, placed in the second, but no lower than third, position that will be recorded in conjunction with the main lender's loan closing.

- ***The loan is forgivable upon completion of the five (5) to fifteen (15) year Period of Affordability and occupancy requirements.***
- ***Repayment will occur upon sale, refinance, and transfer, failure of borrower 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: is defined below and is 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 homebuyer 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 five (5) to fifteen (15) year Period of Affordability and Occupancy Requirements. Primary/Principal residence is defined as a place where a person has a true, fixed, and permanent home, and to where, whenever the person is briefly and temporarily absent, the person intends to return.
- Purchase agreement should be contingent on Homebuyer 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 *Waterloo/Cedar Falls Metropolitan Area*. All persons residing in the household are included in household size, regardless of age or relationship to the borrower.

Maximum Income Limits (May 17, 2023)
(These limits will be adjusted by HUD periodically)

HOUSEHOLD SIZE	MAXIMUM INCOME	HOUSEHOLD SIZE	MAXIMUM INCOME
1 Person	49,150	5 People	75,850
2 People	56,200	6 People	81,450
3 People	63,200	7 People	87,050
4 People	70,200	8 People	92,700

- Income/Employment requirement; minimum of three (3) months documented and verifiable source of steady income.
- Monthly payment of principal, interest, taxes and insurance (PITI), after assistance is calculated, cannot be more than 30%, based on gross monthly income.
- Total debt to income ratio may not exceed 50%. 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. All reoccurring monthly expenses will be used in the underwriting process.
- Borrower(s), including non-borrowing spouses, must demonstrate a credit history of responsible borrowing and repayment.

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 July 1, 2023:

Location	Existing Home	*New Construction
Waterloo City Limits	\$162,000	\$251,000

* 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 homebuyer assistance.
- The property must be located within the city limits of Waterloo, Iowa and on City water and sewer services.
- A Uniform Physical Conditions (UPC) inspection will be conducted by City staff to ensure the property meets minimum Housing Quality Standards.
THE UPC INSPECTION DOES NOT SUBSTITUTE FOR A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.
- Waterloo Community Development reserves the right to disqualify a property that does not pass minimum housing quality standards without further consideration for homebuyer 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 Uniform Physical Conditions (UPC), which all homes must meet before federal assistance can be provided. **THE UPC INSPECTION DOES NOT SUBSTITUTE FOR A PROFESSIONAL HOME INSPECTION NOR DOES THIS INSPECTION GUARANTEE THE CONDITION OF THE HOME.** The UPC 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; or infestations

Living Room, Bedrooms (must have):

- At least one window that opens, basement bedroom windows must be to code; with proper egress.
- 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.**
2. Homebuyer assistance 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.
3. 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.
4. Set up an initial intake appointment with the Community Development office by calling 319-291-4429. Or you may email Angie.fordyce@waterloo-ia.org
5. Select a home inside Waterloo City limits and within your pre-qualified loan amount. Sign a Purchase & Sales Agreement with the seller, contingent on Waterloo Community Development UPC property qualification and Homebuyer Assistance Program financing. It is suggested a Realtor be used to help with this process, but you may deal directly with the owner.
6. 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.
7. COMPLETE the application and return it to Waterloo Community Development. Applications can be mailed, emailed, faxed or placed in the Community Development drop box in the building's entrance. Waterloo Community Development will contact you by phone to begin the review of your eligibility and to ensure availability of funds. All applicants and their spouse/partner (even if they will not be named on the first mortgage) must meet complete a call with City staff to verify eligibility.
8. City staff will inspect the property to ensure it meets minimum Uniform Physical Conditions. Failure to meet minimum standards may disqualify the property from receiving homebuyer assistance funds.
9. 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.
10. 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 homebuyer assistance funds.

11. Upon final approval, loan closing documents and the homebuyer assistance funds will be released to the closing agent.

HUD Approved Homebuyer Counselors

www.ehomeamerica.org

CCS OF NORTHEASTERN IOWA

Phone: 319-234-0661

Toll-free: 319-240-1904

Fax: 319-234-7533

E-mail: glewis@cccsofiowa.org

Website: www.cccsofiowa.org

Agency ID: 80644

1003 W 4th St

Waterloo, Iowa 50702-2803

FAMILY MANAGEMENT FINANCIAL SOLUTIONS, INC.

Phone: 319-234-6695

Toll-free: 877-622-4866

Fax: 319-236-6626

E-mail: housing@family-finance.org

Website: www.family-finance.org

Agency ID: 81088

359 Rock Island Ave

Waterloo, Iowa 50701-5301

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.

Waterloo Community Development

620 Mulberry St. Ste. 202

Waterloo, IA 50703

Phone- 319-291-4429

Fax-319-291-4431

Email- Angie.fordyce@waterloo-ia.org,

Or

Anita.merfeld@waterloo-ia.org

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 HUD office location at (800) 669-9777. TDD Line (800) 877-8339.



I CAN CHOOSE WHERE I LIVE

WHAT YOU SHOULD KNOW ABOUT YOUR HOUSING RIGHTS

Fair Housing Information brought to you by Waterloo Community Development

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).

Waterloo Community Development Homebuyer Assistance Application

PART A- PRIMARY LENDER INFORMATION

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

Borrower: _____ Co-Borrower: _____

Expected closing date: _____

Lender/Address: _____

Loan Officer: _____ Email: _____

Phone #: _____

Loan Processor: _____ Email: _____

Phone #: _____

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 Waterloo Community Development Homebuyer Assistance Program. **Waterloo Community Development will provide up to a maximum of \$25,000 in homebuyer 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 *Waterloo/Cedar Falls Metropolitan Area* established by HUD.
- Lender Fees: Maximum fees to the Buyer of 3% 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 homebuyer assistance.
- Applicants who will have more than \$10,000 in liquid assets after the purchase of a home will not be eligible for homebuyer assistance.

- Borrower(s) is required to provide a minimum contribution of \$1,000 towards the purchase price of the home. Escrow funds, a professional inspection, housing counseling 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.
 - Maximum interest on a loan should not exceed 1.5% above the "average prime offer rate" for the current period.
 - Principle, Interest, Taxes, and Insurance (PITI) may not exceed 30% of income.
 - Debt To Income (DTI) may not exceed 50%.
-

In order to help qualify the applicant, the following lender documentation is required as part of the homebuyer assistance 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**)

Waterloo Community Development Homebuyer Assistance Application

PART B- Borrower/Applicant Loan Information

(Must be completed by Applicant(s)/Borrower(s))

Borrower		Co-Borrower	
Name (include Jr.Sr. if applicable)		Name (include Jr. Sr. if applicable)	
Social Security Number	DOB(mm/dd/yyyy)	Social Security Number	DOB (mm/dd/yyyy)
I am a: <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Non-Citizen <input type="checkbox"/> Qualified Alien		<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried	
Email Address:		Email Address:	
Present Address (street, city, state, zip)		Present Address (street, city, state, zip)	
Phone #	Alt. Phone #	Phone #	Alt. Phone #

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		<input type="checkbox"/> Yes <input type="checkbox"/> No
	Co-Borrower		Information provided above		<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No

* Valid Social Security Number required for each household member one (1) year of age and older.
 Borrower(s) and all household members must be US Citizens, US Non-Citizen Nationals or Qualifying Alien to receive homebuyer assistance.

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 and Address of Employer	
Date Hired ___/___/___		Date Hired ___/___/___	
Status: ___ Full-Time ___ Part-Time ___ Seasonal		Status: ___ Full-Time ___ Part-Time ___ Seasonal	
Pay Rate:	<input type="checkbox"/> Hourly <input type="checkbox"/> Salaried	Pay Rate:	<input type="checkbox"/> Hourly <input type="checkbox"/> Salaried
Pay Frequency:	<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Bi-Monthly <input type="checkbox"/> Monthly	Pay Frequency:	<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Bi-Monthly <input type="checkbox"/> Monthly
Monthly Gross Income	\$	Monthly Gross Income	\$
Overtime	\$	Overtime	\$
Tips	\$	Tips	\$
Bonuses	\$	Bonuses	\$
Commissions	\$	Commissions	\$
Other	\$	Other	\$
Other	\$	Other	\$
TOTAL	\$	TOTAL	\$

OTHER INCOME, INCLUDING ALL OTHER HOUSEHOLD MEMBERS

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
- Single Parent
- Elderly
- Two Parents
- Other _____

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

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

ASSETS		LIABILITIES		
Type of Assets	Value	Liabilities	Mo. Payment	Unpaid Balance
Gift funds to be used toward the purchase of the property		Monthly Car Payment		
Source:	\$	Monthly Car Insurance		
Name & Address of Bank, S&L or Credit Union		Monthly Utilities- Gas, Electric, Water, Trash		
Acct. No.	\$	Monthly Credit Card Payments		
Name & Address of Bank, S&L or Credit Union		Monthly Student Loan Payments		
Account No.	\$	Monthly Phone Payment		
Name & Address of Bank, S&L or Credit Union		Monthly Medical Expenses		
Account No.	\$	Monthly Child Care Expenses		
Stock & Bond Company Name	\$	Monthly Cable/Internet		
Real Estate Owned (Market Value)	\$	Other Monthly Payment:		
Vested Interest in Retirement Fund	\$	Other Monthly Payment:		
Net Worth of business(es) Owned Attach Financial Statement	\$	Other Monthly Payment:		
TOTAL ASSETS	\$	Other Monthly Payment:		
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 or Non-borrowing Spouse	
All outstanding debt collections and judgments have been satisfied?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Have declared bankruptcy within the previous two (2) year period?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Have not disposed of any real property within the last three (3) years?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Have had a property foreclosed on within the previous three (3) year period?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> 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; 3 months current paystubs; income award letter; 6 month current bank statements, retirement account statements and proof of assets.**
 - 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; 3 months current paystubs; income award letter; 6 month current bank statements, retirement account statements and proof of assets.**
 - 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 Waterloo Community Development 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.
		I (we) understand that Waterloo Community Development will project out household gross income for the next 12 month period to determine eligibility to participate in the Homebuyer Assistance Program.
		I (we) have completed a HUD approved 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 five (5) to fifteen (15) year Period of Affordability and occupancy requirements.
		I (we) understand that this will be a zero percent interest, deferred forgivable loan of up to \$25,000. 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 \$1,000 towards the purchase price of the home in order to participate in the Homebuyer 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. 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 E – PROPERTY INFORMATION
(Must be completed by REALTOR and/or Borrower(s))

Property Address:	Year Built:	Purchase Price: \$ <i>Purchase price may not exceed : Existing home- \$162,000 New Construction- \$251,000</i>
The Property is Currently: <input type="checkbox"/> Vacant <input type="checkbox"/> Owner Occupied <input type="checkbox"/> Occupied by Borrower(s) A RENTAL PROPERTY OCCUPIED BY TENANT(S) IS NOT ELIGIBLE AND WILL NOT BE CONSIDERED.		
Sellers(s) Name and Address:	Type of Property: <input type="checkbox"/> Single Family, 1-unit <input type="checkbox"/> Condo <input type="checkbox"/> 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)

<u>CHECK ITEMS INCLUDED</u>	<u>THESE ITEMS ARE REQUIRED FOR FILE</u>	<u>CITY USE ONLY</u>
<input type="checkbox"/>	This Checklist	<input type="checkbox"/>
<input type="checkbox"/>	Primary Lender Loan Information Sheet- obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Pre-Approval Letter- obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Loan Estimate- obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Corrected / Updated 1003 Uniform Loan Application (borrower(s) signed)- obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Copy of Gift Letter(s) - obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Copy of borrower(s) and Non borrower spouse Credit Report - obtain from lender	<input type="checkbox"/>
<input type="checkbox"/>	Completed homebuyer assistance application	<input type="checkbox"/>
<input type="checkbox"/>	Copy of Social Security Card for each household member one (1) years of age or older	<input type="checkbox"/>
<input type="checkbox"/>	If applicable: Copy of Permanent Resident Card for each household member	<input type="checkbox"/>
<input type="checkbox"/>	Copy of Legal photo identification for ALL household members over 18	<input type="checkbox"/>
<input type="checkbox"/>	Certificate of completion of a HUD approved homebuyer training class (must be completed prior to closing)	<input type="checkbox"/>
<input type="checkbox"/>	Copy of the fully executed Purchase & Sales Agreement, LBP Disclosure, Addendums and Sellers Disclosure Statement – obtain from realtor	<input type="checkbox"/>
<input type="checkbox"/>	02-City Addendum to Purchase & Sale Agreement; Notice of Voluntary Arm's Length Transaction	<input type="checkbox"/>
<input type="checkbox"/>	03a or 03b- City Addendum to Purchase & Sale Agreement; Housing Quality Standards and Lead Hazard contingencies	<input type="checkbox"/>
<input type="checkbox"/>	Proof of all income- <ul style="list-style-type: none"> • 3 months current paystubs* and other income source documentation (every household person 18 years or older) • Social Security benefits • Retirement benefits • Food and Welfare Assistance • Child Support or Alimony • Pensions • Income from a business 	<input type="checkbox"/>
<input type="checkbox"/>	3 months current bank statements	<input type="checkbox"/>
<input type="checkbox"/>	Current Retirement Account Statements, Other assets such as U.S Bonds, time Certificates, Securities, Money Markets	<input type="checkbox"/>

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 homebuyer assistance program or by federal or state law

CERTIFICATION OF ELIGIBILITY FOR ASSISTANCE – CONFLICT OF INTEREST DETERMINATION

Each person signing below (each an borrower(s)) certifies to the best of the borrower(s) knowledge that the Borrower(s) is not related by family, business or other personal ties to any of the following persons who may be in a position to gain inside information regarding activities funded by this program to exercise any functions or responsibilities in connection with the review, approval or carrying out of the proposed project: an employee of the Community Development office, a member of the Community Development Board, a member of the Waterloo City Council, or any person who has held such a position in the past.

Program: Homebuyer Assistance

Borrower name: _____

Address: _____

Borrower Signature _____ Co-Borrower Signature: _____

The following forms must be included as part of your application for Homebuyer 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 pre 1978 - Housing Quality Standard. (Signed by Buyer & Seller)

OR

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



ADDENDUM TO SALES AGREEMENT
Form 02



Notice of Voluntary Arm's Length Transaction

This addendum is required for funding under all Waterloo Community Development Homebuyer 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 homebuyer 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 the State of Iowa. 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.

**ADDENDUM TO SALES AGREEMENT
Form 02 – Continued
Notice of Voluntary Arm’s Length Transaction**

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
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Buyer’s Signature	Date	Seller’s Signature	Date
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**OR
NONACCEPTANCE 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 understands that no federal funds will be put into this project.

Buyer’s Signature	Date	Seller’s Signature	Date
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Buyer’s Signature	Date	Seller’s Signature	Date
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**ADDENDUM TO PURCHASE AND SALES AGREEMENT
FORM 03 (A)**

Housing Quality Standards
And
Lead Hazard Contingencies
Houses Built **PRIOR** to 1978



This addendum is required for funding under Waterloo Community Development Homebuyer 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 Waterloo Community Development homebuyer 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 homebuyer assistance funds;

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 homebuyer assistance funds for the purchase of the property.

 Buyer's Signature Date Seller's Signature Date

 Buyer's Signature Date Seller's Signature Date

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

