



**Franklin County
Down Payment Assistance Program
Guidelines Disclosure
(ORC 321.592)**

Introduction

Homeport received a grant from the Franklin County Board of Commissioners using CDBG / HOME / ARPA funds to provide down payment assistance to eligible Franklin County residents. The County periodically reviews these regulations and from time to time may make modifications, which Homeport may have to institute to remain in compliance with the grant regulations.

The FR-DAP provides a 0% interest, deferred loan to assist lower income homebuyers in qualifying for home financing. A promissory note will be executed, and a second mortgage will be filed on the property as evidence of the down payment assistance.

Program Objective:

To offer lower income homebuyers, who would otherwise not qualify, an opportunity to buy their own home using a deferred 0% interest rate 2nd mortgage loan with \$0 payments, offered by the Franklin County Board of Commissioners. Homeport administers this Franklin County Down Payment Assistance Program (**FR-DAP**) to assist low to moderate income households in financing the acquisition of a home. To be eligible, applicants must meet program guidelines. The funds for this program are limited, as such; it will be available on a first-come first served basis.

Source of Financing:

An allocation of funds has been received by Homeport from the Franklin County Board of Commissioners' using American Rescue Plan Act (ARPA) funds.

To Receive Downpayment Assistance under this program: The homebuyer must be referred to Homeport by a lender, who has already approved the borrower for a mortgage. The lender is responsible for submitting to Homeport all the required documentation listed in the submission check list that is included in this informational package. Once the application package has been submitted, the loan officer must advise the applicant to contact Homeport to schedule her/his first appointment for budget review with a housing counselor.

Eligibility Standards

A. Geographic Location:

- a. The property must be located inside Franklin County, and outside the political jurisdiction of Columbus. The following chart shows the first 3 digits of the Parcels Identification Number of the properties that do not qualify for the FR-DAP. Properties with the following parcel identifications prefixes are ineligible. Go to: <https://property.franklincountyauditor.com/web/search/commonsearch.aspx?mode=address>

Properties with the following parcel identification prefixes are ineligible for this assistance:

010	111	114	125	145	146	147	165	173	175
179	195	203	217	218	219	226	227	236	245
246	255	266	267	410	415	420	425	430	433
435	440	445	450	455	460	465	470	475	480
485	490	495	510	512	515	520	525	530	535

540	545	550	560	570	580	590	600	610	
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- b. If the property is located in a flood zone, the buyer must obtain Flood insurance for the property.
- c. If the property is located within Runway Clear Zones for civil airports, according to the FAA regulation 14 CFR part 152 and/or the standards for Clear Zones for military airfields established by DOD Instruction 4165.57, 32 CFR part 256." The buyer will be disclosed on the matter and a disclosure statement will need to be signed by the applicant/buyer.

B. Loan Amount & Terms:

The maximum amount of assistance is 5% of the purchase price up to **\$15,000.00** for down payment and closing costs.

This assistance creates a second mortgage on the property for 6 years starting from the day of the closing transaction. The interest rate on this loan is 0%. The homebuyer will not make any monthly or annual repayments. The loan is forgiven after six years of the original purchase transaction and the terms of the note and other agreements have been fulfilled. If the homebuyer does not remain in the home for a period of six consecutive years, the loan amount is due and payable at resale or transfer of title, and it is not prorated.

C. Income Limits:

Eligible applicants must earn at or below 100% of the area median income (AMI), as determined by HUD for the Columbus MSA, adjusted for family size. The total household income, including income from salaries and / or wages, Pensions, Child support, SSI, Retirement, Alimony, Leave of Absence, or others, is used when calculating gross income. Following is the Income Matrix for 2023 - 2024.

2023-2024 - 100% HUD Income Limits

Household Size	Maximum Income	Household Size	Maximum Income
1	\$69,500	5	\$107,170
2	\$79,340	6	\$115,170
3	\$89,340	7	\$123,000
4	\$99,170	8	\$131,000

Note: This Grant does not accept the grossing up of any type of income.

D. First Time Home-buyer Program:

The applicant must be a first-time homebuyer or have not owned a home in the past 3 years.

E. Type of Residency:

Only owner-occupied single-family homes are eligible for Franklin County down payment assistance loans. The property must serve as the applicant's principal residence.

For new constructions, a **Certificate of Occupancy (CO) must be submitted with the submission package** before the assistance can be considered. The home must meet local housing codes of Decent, Safe and Sanitary Conditions. The buyer must introduce with her/his application an acceptable Home Inspection report that contains proper description of the conditions of the property.

Program uses 2023 FHA loan limits for Single family homes.

F. Eligible Use of Funds:

Down payment, daily mortgage interest accrued from the day of closing to first payment date, Initial

Property taxes and homeowners' Insurance to establish the escrow account and closing costs.

G. Affordability Ratios and a Balanced Budget:

The homebuyer must have affordability ratios no higher than 35% (housing ratio) and 45% (total debt to income ratio).

The program requires that the applicant must have a budget counseling session with the Administrator at Homeport to verify that the applicant has a balanced budget, for that appointment. The applicant must submit all utility bills, car insurance statement, childcare, cell phone, cable, internet, and any other living expenses that the applicant carries as hers/his monthly expenses.

H. First Mortgage Financing Requirements:

The First mortgage must be a loan that amortize for 30 years, with a fixed interest rate for the life of the loan (30 years) that is within the range of interest rates offered in the market at the time. the interest rate may not exceed the current interest rate in the market, based on the homebuyer's profile. The difference between the interest rate on the first mortgage and the APR cannot be higher than 1.5%. fees paid to the lender to "Buy down the Interest Rate" are not permitted.

Sale Price must be equal or less than the appraised value of the property. No GAP over the appraised value is allowed.

Interest Rate, Principal and Interests (ORC 1321.592):

The down payment assistance is in the form of a Zero percent (0%) interest rate, deferred loan. The borrower does not have to make monthly or annual payments on this loan if the borrower remains in the property for at least six (6) years as his/her primary residence. The loan will be forgiven after six years.

Property Taxes and Home-Owner Insurance (ORC 1321.592):

This is a second mortgage and as such, escrow for property taxes and mortgage insurance are not applicable.

Approval:

Upon approval of a loan for down payment assistance, the homebuyer shall have 30 days to close on the loan. The commitment shall automatically expire after 30 days.

Re-payment of Assistance:

The borrower must live in the property purchased as her/his primary residence for six (6) years from the day of the closing of the loan. This down payment assistance is repayable upon sale, cash out refinance or rental of property within the six (6) years of down payment assistance commitment. The amount of the assistance received will not be prorated.

First Mortgage loans not eligible:

HOEPA loans, non-Conforming loan, ARM rates, Balloon loans, Negative Amortization terms, loans with Pre-Payment Penalty terms, Discount points and Land contracts and cash purchase are not eligible for this program. The maximum thresholds for total fees must be between 3% and 4% of the loan amount. The lender must submit with the application package a closing costs worksheet identifying separately the Prepaid items from the actual closing costs involved in the transaction.

For FHA 203K streamline loan,

Repairs cannot exceed \$20,000. The application must include copy of the documents requested by FHA in these types of loans.

Homeowners association fees will be considered when determining affordability ratios.

Student Loans : The program will accept the first mortgage lender considerations on this respect.

- **Cash back to borrower is not allowed.**
- **Any unused portion of the proceeds must be returned to Homeport.**

Acceptable Sources of Income:

Salary or Wages

The income must have been received regularly and on time during the past 2 years and must be expected to continue for at least the next 5 years. It has been determined that when including an income that might end before 5 years this may compromise the long-term affordability.

Income received as one lump sum refund(s) from previous year's tax returns will be consider as savings.

Bonuses, commissions and overtime income

To consider this source of income in the affordability ratios, it must have been consistently received for the past 2 years. If applicant wanted to use this income to determine her/his Debt-to-Income Ratio, the applicant needs to submit with the application a letter from her/his employer stating that is highly likely the employee will continue receiving that type of income in the long-Term future.

Second Job Income:

An income from a second job will be considered to determine the affordability ratios, only if the applicant has been working in that job for no less than 2 years. Nevertheless, this source of income will be considered in determining the household income for the current year.

Secondary Financing Terms:

The Franklin County down payment assistance loan becomes due and payable upon sale or transfer of title of the property, or if the property is not used as the borrower's principal residence during the first six years after assistance is granted. Franklin County down payment loan recipients do not make monthly or annual payments on the outstanding loan.

The Franklin County down payment loan proceeds are only recaptured if the house is foreclosed upon or in the events described above, which are also described in the Promissory Note signed by the granted applicant. The Franklin County down payment loan becomes immediately due in the event of fraud in securing the loan.

Interest Rate and Repayment in the Franklin County Downpayment Assistance loan:

The interest rate on this Down Payment assistance loan is 0%. No monthly or annual payments have to be made by the homebuyer on this second mortgage as loan as the homebuyer lives in the property as his/her primary residency for 6 years from the day of closing the home purchase transaction.

Lien Position:

The Franklin County down payment loan will be secured by a Promissory Note and a recorded 2nd mortgage on the property being financed, signed by the borrower. The Promissory Note and Mortgage will be provided by Homeport.

Borrower Investment into the purchase transaction:

The homebuyer must have a minimum contribution into the home purchase transaction of \$500 towards any fees involved in the transaction, including the \$36 for the recording of the 2nd mortgage generated by this down payment assistance loan.

Subordination:

The Franklin County Downpayment assistance must be always in 2nd Lien position. If the lender offers an additional deferred loan assistance, this must be in a 3rd Lien position. The FR-DAP does not allow seller financing.

Home Inspections and Environmental Restrictions:

All properties must have a home inspection, the home inspection MUST be performed with all the

utilities running (Electric, gas and water) performed by a 3rd party home inspector, certified by the State of Ohio. The home inspector must indicate that the inspection was conducted with all utilities running.

A complete copy of the home inspection report must be submitted to Homeport as part of the application package. The report must include pictures and descriptions of the elements and current conditions of all elements of the property: Structural, electrical, plumbing, furnace, A/C, hot water tank, wall sockets, etc.

Any hazard conditions identified in the property by the home inspector must be repaired, as determined necessary, to comply with the Code of Decent, Safe and Sanitary conditions from the City of Columbus. Repairs needs to be successfully completed and an additional inspection, performed by the same home inspector needs to be done to determine that all issues have been successfully made. New pictures of the items repaired must be included and an annex describing the new conditions of the items repaired needs to be prepared by the inspector.

Lender must include in the application package copy of the Flood Certificate and Flood Insurance, if applies. Homeport verifies if the property is in a flood zone and will request proof of flood insurance if applies. If the property is located within 15,000 feet from and airport, the buyer will need to sign a disclosure recognizing the risks and noise factors involved.

Assumptions:

No assumption of this loan by any other person is allowed in the Franklin County Down Payment Assistance Program (**FR-DAP**). The homebuyer will be required to sign a disclosure statement at application acknowledging such. **If the first mortgage is assumed, the total outstanding balance of the Franklin County down payment loan is immediately due and payable.**

Loan(s) to Value Versus Cost of Acquisition:

The total amount of all liens may not exceed the estimated costs of acquire the property.

Important Note:

When the amount of 1st and 2nd liens are higher than the cost of acquisition, the amount of assistance will be decrease until the total amount of liens equal the cost of acquisition.

Loan Funding Request:

The lender will calculate the expected necessary assistance for down payment and closing costs and will make a recommendation to Homeport about the amount of assistance to provide. The lender must use the **Loan Funding Request Form** provided by Homeport to indicate the amount of loan assistance required by the borrower.

Commitment Letter:

Homeport's underwriter reviews the application package and notifies the applicant and lender, in writing, on the approval determination for the assistance by sending a Commitment Letter. Only written approvals may be relied upon. The down payment assistance loan must be closed within 30 days of receiving the Commitment Letter of loan approval. The Commitment Letter shall state the amount of down payment assistance.

Loan Closing:

Homeport needs to receive the Loan Closing Disclosure (CD) Three business days before the closing. The program manager receives, reviews the final Closing Disclosure and once this is approved, the manager of the FR-DAP program schedules a meeting with the homebuyer to provide the final disclosures, according to the Ohio Revised Code (ORC) and review the homebuyer's budget to make sure that it is now in balance.

Homeport sends the second Mortgage and Promissory Note to the Title agency for its execution during the closing transaction.

The Title agency process the recording of the second mortgage at the Franklin County Recorder's office and returns to Homeport the original executed mortgage document no later than 10 business days after the closing date.

The title agency must email to ShaVaughn Blunt at dpa@homeportohio.org, within 24 hours of closing, copies of the following executed documents: First and second mortgage, executed First and second Promissory Note, executed **Closing Disclosure -CD-** with addendums and annexes if any.

Homeport reserves the right to cancel all future and current Franklin County Down Payment Assistance (FR-DAP) funding in process with any lender and title agency that does not comply with the 10 days rule for submitting the required documents in time.

The lender must notify Homeport if the closing will not occur on the scheduled date. If the closing does not occur within a 30 day period after receiving the Commitment letter approval for the funds, the lender has to submit a new application package with all new information.

Time required for Eligibility determination:

Homeport will have an eligibility determination no later than 15 business days from the day Homeport receives a completed application package. If you have any questions, please call 614-221-8889 and leave a message. Your call will be answer in no more than 48 hours.

Lenders are to email ShaVaughn Blunt at dpa@homeportohio.org to ask or clarify any questions.

Homeport reserves its right to request additional information to the lender and or borrower to clarify or confirm any unclear situation.

Borrower Name Date

Borrower Name Date

Borrower Signature

Borrower Signature





**Franklin County
Down Payment Assistance
Program Application**

To be considered for participation in this program, applicants must fill out and sign this application entirely.

Borrower Information

Last Name: _____ First Name: _____
Social Security Number: _____ Date of Birth: _____
Address: _____ City: _____ Zip: _____
Home Phone: _____ Work Phone: _____
Race: (voluntary) _____ Marital Status: _____
Household size: _____ Single Head of Household: _____

Level of Education: Master / College / High School / Technical School / Vocational

Co-Borrower Information

Last Name: _____ First Name: _____
Social Security Number: _____ Date of Birth: _____
Address: _____ City: _____ Zip: _____
Home Phone: _____ Work Phone: _____
Race: (voluntary) _____ Marital Status: _____
Household size: _____ Single Head of Household: _____

Level of Education: Master / College / High School / Technical School / Vocational

Property Information

Property Address: _____

City: _____ State: _____ Zip Code: _____

School District: _____

(Check all that apply)

- New Construction
- Existing Home
- Single Family Home
- Condominium

Lender Information

Lending Institution: _____

Contact Person: _____

Phone Number: _____ Fax Number: _____

Please list current employment for all persons in your household that are employed. If you work more than one job, list them all.

Employer	Beginning Date	Who's Job?	# of Hours per Week	Gross Income (Before Taxes)
				\$_____per_____(Week every other week, twice a month, month)
				\$_____per_____(Week every other week, twice a month, month)
				\$_____per_____(Week every other week, twice a month, month)
				\$_____per_____(Week every other week, twice a month, month)

List all household members beside yourself. Be sure to list EVERYONE who lives with you (including children or other dependents), even if they do not receive any income.

Name	Age	Relationship to You	Gross Income from Work (Before Taxes)
			\$ per
			\$ per
			\$ per
			\$ per
			\$ per
			\$ per

Do you, or ANYONE in your household, receive any of the following? Check a box for each.

Type	Yes	No	Who Receives It?	How Much?
Child Support				\$ per
Social Security				\$ per
Unemployment				\$ per
Worker's Comp				\$ per
Veteran's Benefits				\$ per
Disability				\$ per
Alimony				\$ per

Type	Yes	No	Who Receives It?	How Much?
TANF				\$ per

Please list the average monthly expenses of your household (average expense):

Rent: \$ / Rental Insurance: \$___	Car payment: \$	Medical Bills: \$ / Medication: \$ ___
Electric Bill: \$	Car Insurance: \$	Credit Cards: \$
Gas Bill: \$	Gasoline: \$	Day Care: \$
Water/Sewer Bill: \$	Alimony Payments: \$	Personal loans: \$
Home phone Bill: \$	Student Loans: \$	Medicines, Prescriptions: \$
Cell phone bill: \$	Child Support payments: \$	<u>Eating-out: \$</u>
Cable Bill: \$ / Internet: \$___	Other Insurances: \$	Groceries: \$

Total funds available for closing and reserves:

Institution	Account Number	Balance

Applicant: _____ **Date:** _____

Co-applicant: _____ **Date:** _____





Franklin County Downpayment Assistance Submission Checklist

Borrower: _____

Lender: _____

Lender's Phone #: _____ Fax #: _____

Please submit all of the following in one package. The loan will not be underwritten until the application package is complete. The borrower must meet with a Homeport Housing Counselor to complete additional forms. The borrower must complete Homebuyer Education with Homeport or another HUD certified counseling agency prior to application (Fast Track or Quick Start certificates will not be accepted). **Please allow 15 business days from receipt of a complete package for funding approval.**

- Loan Funding Request. Most, specify amounts for down payment and closing costs separately, according to the program guidelines.
- Lenders Approval Letter including Uniform Underwriting and Transmittal Summary.
- Worksheet Summary of fees charged to the transaction. Identifying Pre-Paid items separately from the actual closing costs
- Loan Estimate –LE-
- Initial Closing Disclosure.
- URLA – 1003- Application, signed by all parties
- Verification of Employment (VOE)
- Copy of Credit report
- Affidavit of Income signed by a Notary public. The borrower must include the income earned by all people that are living in the household, including but not limited to: Salary, wages, child support, alimony, Leave of Absence, monthly SSI, monthly SS-Disability, pensions, other type of income
- 2 months of most recent paystubs from the borrower(s)
- 2 months of most recent bank statements from all checking and savings accounts from the borrower(s).
- The 3 most recent years of Federal Tax returns with their respective W2 from all borrowers.
- The most recent 3 years of the IRS Tax transcripts from borrower(s).
- Homebuyer Education Certificate from a HUD Certified Agency
- Signed purchase contract with all addendums

- If the loan is FHA with a 203K, the limit amount of the 203K is up to \$20,000. The application must include the list and description of every repair that will take place, including the schedule for the repair(s) showing when those repairs will be finished and the contractor's invoice with the individual cost of each repair.
- Hazard/ Home-Owner Insurance binder reflecting minimum dwelling coverage of base loan amount
- Flood Determination.
- For all self-employed persons, the application must include the most recent 3 years of tax returns with all schedules including profit & Losses schedules and YTD Profit and Losses, bank statements within the same period and the 1099 and IRS Transcripts.
- Copy of the Appraisal with all pages. If the property was built before 1978, the appraiser should include a note in the report that the house complies with HUD regulations regarding Lead based paint.
- Copy of the home inspection report: Inspection must be performed by a professional Home Inspector, licensed by the State of Ohio. A license number must be provided by the buyer.**
- The inspection report must indicate if all services (electric, water and gas) were turned on at the time of the inspection. The program does not accept inspections that are performed with the utilities off.**
- The home inspection must include detailed descriptions and pictures of the conditions of all the elements of the building from the exterior and interior. Particularly, of those elements in the house that need to be repaired. Home inspections that only show Charts with check marks (X) attempting to explain or describe conditions of particular element in the building are NOT accepted.**
- If house was built before 1978 a Lead-Based Paint disclosure must be included in the appraisal.
- Occupancy certification **for new constructions.**
- Original signed Sellers Uniform Relocation Act Disclosure Form, if applies.
- Copy of credit report and Credit Score Disclosure
- No later than three business days prior to the date of closing, the lender needs to provide the final Closing disclosure of the transaction (CD), final 1003 URLA with all addendums, and signed by all parties.

Final Closing Disclosure (CD) needs to be submitted to Homeport 3 day before closing the loan.



**Franklin County Down Payment Assistance Program
Loan Funding Request**

Borrower's Name(s) _____ **Ph.#:** _____

Borrower's Email address: _____

Property Address _____

City, State, Zip _____

Title Agency Name and Ph. #: _____

Title Company Address: _____

Closing Title Agent Name, Ph. # and email address: _____

Requested Amount:

Amount for Down Payment: \$ _____

Amount for Closing Costs: \$ _____

Other (Explain): _____

Funds will be wire. Please submit Title Company Wiring Instructions

Lender Contact _____

Phone: _____ **Fax** _____ **Email:** _____

Please allow 15 business days from receipt of a completed packet for funding approval.





Franklin County Downpayment Assistance Closing Instructions

- 1 Homeport reviews the Final Closing Statement. If approved by underwriter. Homeport will contact the borrower/ applicant to schedule a face-to-face final credit and budget counseling session. Applicant will receive all required disclosures and documentation according with the ORC. Counselor will review the applicant budget during this meeting.
- 2 The timing of the appointment with the applicant, after receiving the Final Disclosure, is No earlier than 3 days and no later than 24 hrs. before the closing.
- 3 The Second Mortgage document and the Promissory Note for this assistance will be send to the title agency for its execution at the time of closing.
- 4 Once these documents are executed, the Title Agency and the lender, are both responsible to ensure that the executed Promissory Note is mail to Homeport **at 3443 Agler Rd., Columbus, OH 43219**, no later than 5 business days from the closing date.
- 5 Email to dpa@homeportohio.org within 48 hrs. after the Closing transaction the following executed documentation: Copies of 1st and 2nd mortgage, copies of 1st and 2nd Promissory Note, final 1003 and Final Closing Disclosure with all addendums.
- 6 The Title Agency is responsible for the recording of the 2nd Mortgage at the Franklin County Recorder's office. To pay for the recording fee, the lender/ Title agency needs to collect that fee (2 pages plus exhibit) as part of the \$500 that the borrower needs to provide as investment in the transaction as per the program guidelines.

Important Notes:

Title agency does not need to create a HUD or CD for Homeport. This program is exempt from that compliance. Homeport administer these funds for Franklin County, under a contract. This program complies with the exemptions established by CFPB:

- a) Funds for the program comes from a Federal grant CDBG
- b) Franklin County, a governmental entity, assign part of that grant to the Franklin County Down-payment Assistance Program.
- c) The 2nd is on the name of that governmental entity: Franklin County, Board of Commissioners
- d) There is no interest rate on this loan.
- e) Borrowers don't have to make any monthly, or annual payments on this soft loan and as loan they comply
- f) With living in the property as their primary residence for 6 years from the date of closing, this 2nd mortgage will be canceled in 6 years.
- g) The borrower does not pay any fees to Franklin County or Homeport on the purchase transaction.

- 7 Franklin County Down Payment Assistance cannot be combined with any other down payment assistance funds. The borrower/applicant cannot receive cash back at closing.
- 8 Borrower must invest a minimum of \$500.00 into the transaction. The payment for Home Inspection, credit report and appraisal is included as part of the investment.
- 9 Borrower may not receive cash back at closing.
- 10 The total amount of all Liens must be less to the cost of acquires the property.
- 11 Seller must sign the Uniform Relocation Form –URA- . Lender must submit the signed URA to Homeport before closing.
- 12 Homeport wires the Assistance approved funds to the Title Agency.
- 13 If any change(s) occur after submitting to Homeport the Closing Disclosures, including change in the closing date, the lender and tittle agency are both responsible for communicating these changes to ShaVaughn Blunt immediately at dpa@homeportohio.org
- 14 This commitment letter expires 30 days from the date of this letter. The loan must be closed by that date or the Title Company holding the funds shall return the funds to Homeport.

Homeport, 3443 Agler Road, Columbus, Ohio 43219
Phone: (614) 221-8889 – Fax: (614) 221-8591





**Franklin County Down Payment Assistance Program
Affidavit of Income**

I / We, _____, certify, under penalty of perjury, that I / We do not receive any other form of income other than the one already submitted with our application for the Franklin County Down Payment Assistance, and have no indication that any other income as SSI, child support, alimony, disability, pension, investment gains, unemployment or any other income is received by any of my household member or will become available within the next 12 months for any of the persons in our household.

Applicant Signature Date

Co-Applicant Signature Date

Sworn to before me and subscribed in my presence this _____

Notary Public Name, State of Ohio

My Commission expires on _____

