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Maude Hill Growing Homeownership Fund ("The Fund") Guidelines

Description of Program

This is a program to close Black and Minority homeownership gaps through targeted down payment assistance, comprehensive housing counseling, and wrap-around supports for sustainable ownership. "The Fund" name recognizes Maude Hill, an iconic Columbus change agent, human servant, and equitable housing advocate. This fund is organized by CONVERGENCE Columbus, but funds will be administered by Homeport's Administrator.

Participant Eligibility:

There are no FICO score DTE requirements for the Fund. The participant(s):

- must self-identify as Black, Latinx, or minority;
- must be a current Franklin County resident who will purchase a home in Franklin County that will serve as their primary residence: any municipal fund investments can be bifurcated for the exclusive benefits of the geographies served by those jurisdictions;
- must have income no higher than 140% of the Area Median Income; and
- must be a first-time homebuyer.

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.

Package:

The Borrower may receive up to \$15,000, or 5% of the Purchase Price of the home, whichever is less, in a 5:1 match to down payment documented in personal savings. 0% interest rate. Funding may be used for down payment, closing costs, (including owners title insurance), prepaid escrows, permanent rate-buy-downs, up to \$1,000 appraisal gap, and/or up to \$1,000 for home repair and improvement costs documented by a receipt and verified by the Administrator. Downpayment assistance is forgiven after three years of occupancy. Assistance can be used with any conventional, FHA, VA, or USDA loan. Assistance can also be stacked with other programs, including offered by OHFA, Franklin County, or proprietary lender programs. **Post- Purchase counseling and support will be encouraged for all Borrowers.**

Eligible Property:

The eligible property must serve as the primary residence for the borrower. The type of property can be an existing residential single-family home that is said to be safe or newly constructed residential property, which has received a Certificate of Occupancy. The property must be a 1–4-unit detached home, condominium, or manufactured home titled as real estate held in fee simple. **Land contract agreements are NOT eligible.** If the borrower is purchasing a 2–4-unit home, they must make a 5% minimum borrower contribution from their own funds.

Eligible Applicants:

The Participant must earn at or below 140% of the Area median Income- AMI, as determined by HUD for Columbus MSA, adjusted for family size. The Borrower-only income, including income from salaries and/or wages, Pensions, Child Support, SSI, Retirement, Alimony, Leave of Absence, other is used when calculating gross income. The following is the Income Matrix used for 2023-2024

Income Limits:

Eligible applicants must earn at or below 140% 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, other, is used when calculating gross income. The following is the Income Matrix for 2023 - 2024.

2023-2024 - 140% HUD Income Limits

Household Size	Maximum Income	Household Size	Maximum Income
1	\$99,120	5	\$152,880
2	\$113,260	6	\$164,220
3	\$127,400	7	\$175,560
4	\$141,540	8	\$186,900

Financing Guidelines:

Homeport will administer this down payment assistance to eligible homebuyers in the form of 0% interest rate. The homebuyer will not make any monthly or annual payments on this deferred loan, and it will be canceled after the third year of the original purchase if the borrower lives in the property for 3 years after the purchase as his/hers/their primary residency and the terms of the restrictive covenant are fulfilled. If the homebuyer does not remain in the home for that period of 3 years, the loan amount is due and payable back to the fund at resale or transfer of title.

The Maximum amount of assistance is 5% of the purchase price up to \$15,000 for down payment and closing costs.

This program uses FHA loan limit for the Columbus Metropolitan Area for single-family homes.

First Mortgage Requirements: Funds must be used with conventional, FHA, VA or USDA loans. First mortgage must meet FHA, Fannie Mae, and/or Freddie Mac mortgage underwriting guidelines.

The following first mortgage types are not permitted unless they are part of a special Purpose Credit Program and the fund Administrator determines it meets the borrower’s sustainability objectives: 203k loan, interest only mortgage loans, adjustable-rate mortgage loan, balloon notes: and with less than a 30-year term.

The applicant(s) will execute a Promissory note and Restrictive Covenant in the name of “Columbus Housing Partnership inc., dba Homeport” to evidence the loan. The promissory notes stipulate that if the beneficiary does not remain in the home for three years, the loan will become due and payable. Also, subletting or renting, even on a temporary basis, is not permitted. The Restrictive Covenant does allow for leasing limited space within the unit (ex. basements or bedrooms).

“The Fund” must be in 2nd lien position or administrator approval is needed. If the lender offers an additional deferred loan assistance, this must be in the 3rd lien position. **This Fund does not allow seller financing.**

Type of Residency:

Owner-occupied single-family and 1-4 unit's homes are eligible for "The Fund". The property must serve as the applicant's primary residence. For new constructions, a Certificate of Occupancy (CO) must be submitted with the submission package before assistance can be considered.

Property Inspection/ appraisal:

A complete copy of the appraisal is required by Homeport at time of application or no later than 5 days before closing for review to determine eligibility. Homeport or "The Fund", assumes no responsibility to the borrower, or any other person with respect to Homeport's review of an appraisal report may not be relied upon by the borrower for any purposes.

Home Buyer Education:

8 hours of Homebuyers Education must be provided by any HUD certified housing counseling agency and a certificate of completion must be submitted to Homeport at the time of application. **No Fast Track certifications will be accepted.**

***** "The Fund" and Homeport do periodic reviews of the eligibility guidelines and can make necessary modifications to remain in compliance with the guidelines. *****

Eligible Use of Funds:

Down payment, closing cost (including owner's title insurance and single-premium mortgage insurance), prepaid interest, homeownership warranty, prepaid escrow, permanent rate buy-downs, appraisal gap up to \$1,000, and/or up to \$1,000.00 for home repair and improvement cost (must be documented by a receipt and verified by the Administrator).

Approval:

Upon approval of a loan for down payment assistance, the homebuyer shall have 120 days to close on the loan. The loan approval shall automatically expire after 120 days.

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 3 years. It has been determined that when including an income that might end before 3 years this may compromise the long-term affordability.

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 Fund", becomes due and payable upon sale or transfer of title of the property, or if the property is not used as the borrower's primary residence during the first three years after assistance is granted. "The Fund", recipients do not have to make monthly or annual payments on the outstanding loan.

Lien Position:

“The Fund”, will be secured by a Promissory Note and a recorded Restrictive Covenant on the property being financed, signed by the borrower. The Promissory Note and Restrictive Covenant will be provided by Homeport.

Borrower investment into the purchase transaction:

The homebuyer must have a minimum contribution into the home purchase transaction of a 5:1 savings towards any fees involved in the transaction.

Assumptions:

No assumption of this loan by any other person is allowed in “The Fund”, The homebuyer will be required to sign a disclosure statement on application acknowledging such. **If the first mortgage is assumed, the total outstanding balance of “The Fund” is immediately due and payable.**

Loan(s) to Value Versus Cost of Acquisition:

The total amount of all the liens may not exceed the estimated costs to 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 decrease until the total amount of liens equals 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.

Approval Letter:

Homeport’s Administrator reviews the application package and notifies the applicant and lender, in writing, on the approval determination for the assistance by sending an Approval Letter. Only written approvals may be relied upon. The down payment assistance loan must be closed within 120 days of receiving the Approval Letter. The Approval 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 Administrator reviews the final Closing Disclosure and once this is approved, the Administrator of “The Fund”, will review the homebuyer’s budget to make sure that it is balanced.

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

The Title agency processes the recording of the Restrictive Covenant 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 10 days 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 Down Payment Assistance 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 120-day period after receiving the Approval letter approved for funds, the lender must 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 email dpa@homeportohio.org or call 614-221-8889 and leave a message. Your call will be returned within 48 hours.

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

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

Borrower Name Date

Borrower Name Date

Borrower Signature

Borrower Signature





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**Maude Hill Growing Homeownership Fund
("The Fund") Guidelines**

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 the 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:** _____





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**Maude Hill Growing Homeownership Fund
("The Fund") Checklist**

Borrower: _____

Lender: _____

Lender's Phone #: _____ Fax #: _____

Please submit all the following in one package. The loan will not be reviewed until the application package is complete. The borrower must complete Homebuyer Education with a 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. Must specify amounts for down payment and closing costs separately, according to the program guidelines.
- Lenders Conditional /Final 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)
- Affidavit of Income signed by the borrower. The borrower must include the income earned by the Borrower who is 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 savings account statement (full statements are required)
- 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), if applies.
- Homebuyer Education Certificate from a HUD Certified Agency
- Signed purchase contract with all addendums.

- 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.
- A copy of a Home Inspection report receipt is required upon submission.
- If a 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.
- 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 days before closing the loan.



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**Maude Hill Growing Homeownership Fund
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 wired. 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.





Maude Hill Growing Homeownership Fund Closing Instructions

- 1 Homeport reviews the Final Closing Statement. If approved by the Administrator. The Administrator will contact/email the borrower/applicant a blank budget for completion and submittal back to Administrator for review no earlier than 3 days and no later than 24 hours before the closing.
- 2 The Restrictive Covenant document and the Promissory Note for this assistance will be sent to the title agency for its execution at the time of closing.
- 3 Once these documents are executed, the Title Agency and the lender are both responsible for ensuring that the executed Promissory Note is mailed to Homeport **at 3443 Agler Rd., Columbus, OH 43219 ATTN: ShaVaughn Blunt**, no later than 10 business days from the closing date.
- 4 Email to: shavaughn.blunt@homeportohio.org within 10 business days after the Closing transaction the following executed documentation: Copies of executed 1st mortgage, executed restrictive covenant, and executed copy of Promissory Note, final 1003 and Final Closing Disclosure with all addendums.
- 5 The Title Agency is responsible for the recording of the Restrictive Covenant at the Franklin County Recorder's office. To pay for the recording fee, the lender/ Title agency needs to collect that fee for all pages recorded) as part of the 5:1 savings 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 administers these funds for Maude Hill Growing Homeownership Fund, under a contract.

- a) All funds provided are part of the Maude Hill Growing Homeownership Fund.
- b) The Restrictive Covenant is in the name of: Columbus Housing Partnership Inc., dba Homeport.
- c) There is no interest rate or accrued interest on this loan.
- d) Borrowers will not have to make any monthly or annual payments on this soft loan as long as they comply with the Fund guidelines.
- e) Living in the property as their primary residence for 3 years from the date of closing is a requirement, once satisfied the Restrictive Covenant will be canceled in 3 years.
- f) The borrower does not pay any fees to Homeport on the purchase transaction.

- 6 The borrower/applicant cannot receive cash back at closing.
- 7 The Borrower must invest a minimum of 5:1 savings into the transaction. (payments for a home Inspection (completed), credit report and appraisal are included as part of the investment.
- 8 Borrowers may not receive cash back at closing.
- 9 The total amount of all Liens must be less to the cost of acquiring the property.
- 10 The seller must sign the Uniform Relocation Form –URA- . Lenders must submit the signed URA to Homeport before closing.
- 11 Homeport wires the Assistance approved funds to the Title Agency.
- 12 If any change(s) occur after submitting to Homeport the Closing Disclosures, including change in the closing date, the lender and title agency are both responsible for communicating these changes to ShaVaughn Blunt immediately at: dpa@homeportohio.org.
- 13 This approval letter expires 120 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 back to Homeport.

ShaVaughn Blunt

Housing Advisor

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





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**Maude Hill Growing Homeownership Fund
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 Maude Hill Growing Homeownership Fund, and have no indication that any other income as SSI, child support, alimony, disability, pension, investment gains, unemployment or any other income that is received by the applicant on this date.

Applicant Signature

Date

Co-Applicant Signature

Date





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**Maude Hill Growing Homeownership Fund
("The Fund")**

Acknowledgment of Fund Understanding and Down Payment Assistance Repayment Agreement

I, _____, hereby acknowledge that I have read and understand the terms and conditions of ***The Maude Hill Growing Homeownership Fund*** for down payment Assistance. I affirm that the following eligibility requirements apply to the participation in this fund:

1. I self-identify as: (must check one)

- Black
- Latinx
- Another minority racial or ethnic group that, as a class, was denied credit or received it on less favorable terms in Franklin County, Ohio.

If selected, please list the racial or ethnic group you identify as: _____

- 2. I am a current resident of Franklin County.
- 3. I intend to purchase a home in Franklin County with the assistance of this Fund.
- 4. I intend to occupy the purchased property as my primary residence for no less than 3 years from the date of purchase.
- 5. My income does not exceed 140% of the area Median Income.
- 6. I meet the definition of a first-time home buyer as outlined by the Fund.
- 7. I acknowledge I will attest to receiving this document both at closing and of the release of lien on the property.

I understand that the information provided by me in the application process is accurate to the best of my knowledge and recognize that any false information given in connection with my application may result in the termination of eligibility for downpayment assistance fund. If false information is identified, I agree to repay **The Maude Hill Growing Homeownership Fund** within 5 days as determined by the Administrator of the Fund.

I further acknowledge that this agreement is binding and failure to adhere to misrepresent its terms may result in legal consequences.

Signature, _____

Date: _____

Signature, _____

Date: _____

