

**City of Oberlin, Planning Dept.
69 South Main Street
Oberlin, Ohio 44074**

**COMMUNITY HOUSING
IMPROVEMENT PROGRAM
(CHIP)
FY2007
HOME BUYER PROGRAM**

1. Program Name and Description

The City of Oberlin presently has a Community Housing Improvement Program (CHIP) in effect. This program provides down payment assistance and rehabilitation assistance to qualified home buyers. Households must be low to moderate-income as well as meet other program requirements. The Program Administrator will coordinate the down payment assistance with your local mortgage institution.

2. The local banks have expressed interest in the program and chances to qualify for a mortgage are excellent. The assistance provided will be for down payment and rehabilitation and cannot be applied toward closing costs.

3. Homebuyer Counseling

Homebuyer education and counseling is a requirement for the City of Oberlin Homebuyer Program. An applicant will be information regarding the counseling once they have been approved for down payment assistance. The applicant must provide evidence that education and counseling has taken place prior to home closing.

The counseling program will contain the following elements:

- The homebuyer's decision. This element should include: analyzing initial and long-term affordability; finding the "right" house; identifying the players; making the offer and signing the contract; shopping the financing and arranging for insurance.
- Budgeting and credit management. This element should include: establishing a savings plan and setting goals; understanding credit; building and maintaining a credit record; and understanding the consequences of default and the pros and cons of refinancing.

- The mortgage loan closing process. This element should include: understanding the pre-closing requirements; understanding the loan closing documents; and understanding the closing process.
- Home maintenance and repair. This element should include: developing a maintenance plan; identifying problems and performing basic preventive maintenance; understanding basic repair safety precautions; hiring and dealing with a contractor.
- Client follow-up. This element should describe how the provider will assess the degree of success that recipients are having with home ownership. Follow-up contact should be made three months after closing. The provider will inform the Community of the findings of the follow-up.

4. Availability of Affordable Homes

A list of affordable homes in the area can be provided by a local realtor. Houses may also be purchased within the program directly from a homeowner without the aid of a realtor.

5. Client Selection Criteria

All applicants for the homebuyers project activity must be either first-time homebuyers or not have owned a house within three (3) years from the date of application. The application must be approved by a lending institution of the balance of the loan. No down payment assistance will be provided for land contract purchases. Applications will be processed on a first come first serve basis.

6. Limits of Assistance

The maximum limit of down payment and rehabilitation assistance will be \$30,000.00 for a home without lead-based paint hazards and up to \$35,000.00 for a home with lead-based paint hazards to qualified homebuyers. While the amount of down payment assistance can vary it is expected to be approximately \$4,500.00 with a maximum of \$4,800.00. The maximum purchase price allowed is \$221,006.00. It is estimated that five (5) homes will be purchased with the average assistance being \$27,600.00.

7. Finance Mechanisms

The down payment assistance will be in the form of a partially forgivable loan with repayment over a ten (10) year period. The property occupied by the homebuyer must be retained as the principal residence by the owners. Subletting a homebuyer property, even on a temporary basis, is not permitted. A percentage of the loan will be forgiven on a pro-rata basis over the life of the loan based on the applicant's median income.

<u>Assistance Type</u>	<u>Number Cases</u>	<u>Income Group</u>	<u>Average Funding Each</u>
Downpayment/Rehab Loan	3	Low-moderate	\$27,600.00

Rehabilitation Standards

The housing unit will be inspected by City of Oberlin authorized personnel to determine if and what rehabilitation work needs to be performed to meet OHCP rehabilitation standards prior to approval. Any rehab work to be performed must be estimated and included as part of the mortgage loan approval. A lead-based paint inspection will also be performed by a licensed lead-based paint inspector. The unit must meet OHCP Residential Rehabilitation Standards with six (6) months of closing.

8. Monitoring/Recordkeeping

The Program Administrator will verify the applicant's income and mortgage limits as established for the County. The Community will maintain the mortgage lien for the prescribed time period.

9. Affordability Requirements

Other than the eligibility requirements mentioned in the Income Eligibility Guidelines and Client Selection Criteria sections, there are no further affordability requirements.

10. Other Requirements

The project activities will meet the National Objectives of assisting low and moderate income persons. This shall be documented in the Beneficiaries file for the Program.

The Community will comply with other requirements such as Displacement, Relocation, Acquisition, EEO, Fair Housing, Labor, Lead Based Paint, Conflict of Interest, Debarment and Suspension, Intergovernmental Review, and other required assurances, by carrying our existing ordinances, resolutions, and policies governing said requirements. In addition, the Community will carry out the affirmative marketing strategy developed by the State of Ohio.

APPLICATION

Each applicant for the City of Oberlin, Planning Dept. Homebuyer Program is required to furnish all the information contained in this application. Failure to complete the application completely will not allow evaluation of the application for assistance.

DATE: _____

ADDRESS OF PURCHASE PROPERTY: _____

CITY: _____ ZIP CODE: _____

PROPERTY LOCATED IN City of Oberlin, Planning Dept. _____ YES _____ NO

PERSONAL INFORMATION

Applicant #1 _____

SS# _____ Telephone (D) _____

(E) _____

Applicant #2 _____

SS# _____ Telephone (D) _____

(E) _____

Current Address _____

Number/Street

How Long _____ Marital Status _____

Have you owned residential property within the last three (3) years? YES _____ NO _____

If Yes, Give Address _____

Please list all addresses within the last three (3) years

Number of Persons in Household (Include applicants) _____

List Names, Ages and Relationship for each

Applicant #1 Employer _____ How Long _____

Address _____

Phone No. _____ Monthly Income _____

Applicant #2 Employer _____ How Long _____

Address _____

Phone No. _____ Monthly Income _____

Other Income: (trust fund, pension, social security interest, workman's compensation, disability, ADC, Part-time Work, Child Support, etc.)

Note: All persons residing in household and receiving an income must be identified on this application.

(Use additional sheet if necessary)

NAME: _____

SOURCE: _____ MONTHLY AMOUNT: _____

ADDRESS: _____

LIST PREVIOUS EMPLOYERS IN LAST THREE (3) YEARS:

EMPLOYER	ADDRESS	FROM	TO
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

STRUCTURE

a. Current Owner: _____

Address: _____

Phone: _____

b. Real Estate Agent's Names _____

Phone Number: _____

BANK LENDING INSTITUTION PROVIDING MORTGAGE LOAN:

NAME: _____

ADDRESS: _____

LOAN OFFICERS NAME: _____ PHONE NO: _____

PROPERTY IS PRESENTLY OCCUPIED BY: _____ OWNER _____ TENANT _____ VACANT

If Vacant, how long? Years _____ Months _____

Age of Structure _____ Number of Bedrooms _____

Property Taxes: _____ Purchase Price: _____

Property Value: _____ Property Decent, Safe and Sanitary? _____

I/We certify under penalty of perjury that all information contained on this application and furnished in support of the application is true and complete to the best of my/our knowledge and belief. Verification may be obtained from any sources that City of Oberlin, Planning Dept. requires.

I/We further understand and authorize the bank or the lending institution servicing my mortgage loan to provide information for the processing of my/our application for the Homebuyers Program with City of Oberlin, Planning Dept.

Any applicant that purposefully omits or intentionally supplies false or misleading information may be rejected from participating in the Program.

Date

Applicant's Signature

Date

Co-Applicant's Signature

AUTHORIZATION FOR RELEASE OF INFORMATION

I/We the undersigned hereby authorize _____ (Bank) to release to the City of Oberlin, Planning Dept. any and all information contained in my/our mortgage application file. It is the purpose of this release to allow the aforementioned bank to forward to the City of Oberlin, Planning Dept., information to assist the Community in compiling necessary information to make a decision on my/our application for down payment assistance funds.

It is understood and agreed that either the bank or the City of Oberlin, Planning Dept. may find it necessary to copy and keep on file records pertaining to my/our finances, employment history and credit history.

I/We hold harmless the bank and the City of Oberlin from any possible civil suit or legal action resulting from the release of the above mentioned information. This release is given with the understanding that all information will be held except for purposes of reviewing my/our application for assistance and compliance with local state and federal regulations.

Date

Borrower's Signature

Date

Co-Borrower's Signature

City of Oberlin, Planning Dept.
69 South Main Street
Oberlin, Ohio 44074
FY2007

HOMEBUYER PROGRAM
LENDING INSTITUTION
LOAN OFFICER
CHECKLIST

(Please provide this page to your Loan Officer)

The following items must be furnished by the Loan Officer to the Program Administrator prior to the release of funds for down payment assistance to eligible applicants:

1. Purchase Agreement
2. Residential Property Disclosure Form
3. Residential Appraisal Report
4. Copy of Property Deed
5. Letter of Loan Approval to Program Administrator Indication the terms of the loan including loan amount, term, interest rate, and monthly P&I Payment. Letter should also indicate if insurance and taxes are escrowed.

Upon closing, a copy of the Settlement Statement must be furnished to the Program Administrator.

The above information is to be mailed to:

Patricia A. Lines
Program Administrator
Lines and Associates, Inc.
P. O. Box 457
Avon, Ohio 44011
Telephone: (440)892-7873
Fax: (440)892-7864

Thank you for your cooperation.

LINES AND ASSOCIATES, INC.

Patricia A. Lines
Program Administrator