



CITY OF WOONSOCKET, RHODE ISLAND

FIRST HOME

DOWN PAYMENT ASSISTANCE PROGRAM

PROGRAM INFORMATION

& APPLICATION PACKAGE

THIS APPLICATION PACKAGE CONSISTS OF MULTIPLE PAGES AND INCLUDES A NUMBER OF FORMS, WHICH MUST BE COMPLETED AND RETURNED. IN ORDER TO EXPEDITE THE PROCESSING OF YOUR APPLICATION, PLEASE READ ALL PAGES CAREFULLY AND COMPLETE ALL FORMS CLEARLY AND ACCURATELY.

APPLICATION FORM – (SIGNATURE REQUIRED) – 1 OF 2 PAGES

Funded by the US Department of Housing & Urban Development (HUD) through the HOME Investment Partnership Program, the City of Woonsocket (the City) is administering the FIRST HOME Down Payment Assistance Program. The goal of the First Home Program is to provide qualified Woonsocket home buyers with a loan in the amount of up to \$5,000 to assist with down payment in the purchase of their first home. HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. Program regulations are at 24 CFR Part 92.

The no-interest loan will be partially forgiven (\$2,500 forgiven after 5 years) and partially deferred (\$2,500). Repayment of the deferred loan is made at the time of sale, exchange or transfer of title. No portion of the forgivable portion will be prorated prior to expiration of the 5-year period. In case of loan default, the loan is recaptured according to the City's Recapture Policy.

Applicants who meet the necessary qualifications will receive their loan on a first-come, first-served basis. There are limited funds available, and the City reserves the right to expand or terminate the program depending on the availability of funds and/or market conditions.

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

All applicant information is considered confidential

Applicant Name(s)		
Present Street Address		
City	State	Zip Code
Home Phone	Work Phone	Email

APPLICATION FORM Continued – (SIGNATURE REQUIRED) – 2 OF 2 PAGES (APPLICATION TOTAL “PACKAGE” IS MULTIPLE PAGES – SEE BOTTOM OF PAGE FOR PAGE NUMBERS)

List names and information of all person(s) in the household beginning with the head of household			
Name	Date of Birth	Social Security Number	Annual Income (if over 18)

The following information pertains to the property to be purchased:		
Street Address		# of units
Purchase Price \$	Appraised Value \$	Year home was built
Down Payment Amount from applicant/buyer(s) – not including City down payment assistance		\$
Name of Mortgage Company		Phone Number
Name of Loan Officer		Estimated Closing Date
Name of Closing Attorney		Phone
Do you have a signed purchase & sales agreement?	Yes	No
Name of Buyer's Realtor	Realty Company	Phone
Name of Listing Agent/Seller's Realtor	Realty Company	Phone

The following information is for informational purposes only, and does not affect an Applicant's eligibility:		
Head of household (check one)	<input type="checkbox"/> Male <input type="checkbox"/> Female	Is any member of the household disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No
Ethnicity (check one)	<input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	
Race (check one)	<input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> American Indian/Alaskan Native & Black/African American <input type="checkbox"/> Other multi-racial	

I have reviewed all parts of the FIRST HOME application package and understand the application requirements and eligibility criteria. I hereby apply for a loan from the City of Woonsocket. I agree to comply with all terms and conditions related to the loan. I understand the submission of false or misleading information may result in the rejection of this application. I have also read and understand the Warning statement at the bottom of this page.

Applicant Signature	Date
Co-Applicant Signature	Date

NO CONFLICT OF INTEREST FORM – (SIGNATURE REQUIRED)

APPLICANT CERTIFICATION

I, _____, do hereby certify that no payment, bonus, commission or fee was given or taken for the purpose of obtaining the City or its agent's approval or concurrence in connection with the procurement of this Loan.

I also certify that neither I, nor anyone with whom I have family or business ties, is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds, who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or are in a position to participate in a decision-making process or gain inside information with regard to these activities.

Applicant Signature	Date
Co-Applicant Signature	Date

RELEASE FORM – (SIGNATURE REQUIRED)

PURPOSE: Your signature on this HOME Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the City of Woonsocket to obtain information from a third party, relative to your eligibility and/or participation in the **City of Woonsocket FIRST HOME Down Payment Assistance Program**.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Inquiries may be made about the following items
Income (all sources)
Assets (all sources)
Child Care Expense
Handicap Assistance Expense (if applicable)
Medical Expense (if applicable)
Other (list) – use additional sheet, if necessary
Dependent Deduction <input type="checkbox"/> Full-Time Student <input type="checkbox"/> Handicap/Disabled Family Member <input type="checkbox"/> Minor Children

AUTHORIZATION: I authorize the City of Woonsocket and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the Applicant in this process.

Head of Household—Family Member #1 (Head of Household)		
Signature	Printed Name	Date
Other Adult Member of the Household—Family Member #2		
Signature	Printed Name	Date
OTHER ADULT MEMBER OF THE HOUSEHOLD—FAMILY MEMBER #3		
Signature	Printed Name	Date
OTHER ADULT MEMBER OF THE HOUSEHOLD—FAMILY MEMBER #4		
Signature	Printed Name	Date

City of Woonsocket FIRST HOME Down Payment Assistance Program Application Package

ANTICIPATED INCOME FORM – (SIGNATURE REQUIRED) – READ THE FOLLOWING INSTRUCTIONS.

CITY OF WOONSOCKET PROGRAM INCOME ELIGIBILITY *PLEASE READ THIS SECTION PRIOR TO COMPLETING FORM*

➔ Enter the household income expected to be received during the next 12 months. **All household members must be included.** Obtain and attach written documentation of all anticipated income. Income documentation cannot be more than 6 months old. Submit 2 months of paystubs, 1040 long form, benefit award letters. If no income, indicate zero in column fields & sign as certification of no income. Each household member must complete a separate column and sign/date. Thank you.

COMPUTING IRS 1040 SERIES ADJUSTED GROSS INCOME	Each household member completes a column. If no income, please indicate a 0 in appropriate field(s)				Subtotal (add a-d)
	a.	b.	c.	d.	
CLIENT NAME:					e.
1. Wages, salaries, tips					
2. Taxable interest					
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)					
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					
15. Other income					
16. Subtotal (lines 1-15)					
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self-employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony					
25. Subtotal (lines 17-24)					
26. Subtract line 25 from line 16. This is Adjusted Gross Income as defined by the Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax reporting purposes					

Your signature on this City of Woonsocket (HOME) Program form, and the signatures of each member of your household who is 18 years of age or older, certifies that all information presented above is complete and accurate. Signatures also authorize the City of Woonsocket to obtain information from any connected third party concerning your eligibility and continued participation in this Program.

Head of Household (print name) a.	Head of Household Signature	Date
Other Adult Member of Household (print name) b.	Other Adult Member of Household Signature	Date
Other Adult Member of Household (print name) c.	Other Adult Member of Household Signature	Date
Other Adult Member of Household (print name) d.	Other Adult Member of Household Signature	Date

FIRST-TIME HOME BUYER CERTIFICATION FORM – (SIGNATURE REQUIRED)

I, _____, certify that I (we) are first-time home buyers as described in the following definition:

Definition of a first-time home buyer is an individual, and his or her spouse who have not owned a home during the 3-year period ending on the date of purchase of property. The term first-time home buyer also includes a displaced homemaker or a single parent who has only owned a home with a spouse.

Signature of Applicant/Home Buyer	Date
Printed Name of Applicant /Home Buyer	
Signature of Co-Applicant/ Home Buyer	Date
Printed Name of Co-Applicant /Home Buyer	

City of Woonsocket FIRST HOME Down Payment Assistance Program Application Package

LENDER AFFIDAVIT FORM - CREDIT APPROVAL FORM TO BE COMPLETED BY PRIMARY LENDER — (LENDER & NOTARY SIGNATURE REQUIRED) – Page 1 of 2 Pages

Primary Lender:

_____, in order to assist in the purchase of a residential property located at _____,

has applied to the First Home Down Payment Assistance Program administered by the City of Woonsocket, RI, and funded by the US Department of Housing & Urban Development HOME Investment Partnership Program

To process the application, information from the applicant's primary lender is required. The applicant has signed a form (attached) authorizing the release of pertinent information.

Please review and complete this form and return it to:

**Housing Division, Department of Planning & Development
City of Woonsocket, RI, 169 Main Street, PO Box B, Woonsocket, RI 02895**

If you have questions, please contact the program manager at 401-767-9228.

City of Woonsocket First Home Down Payment Assistance PROGRAM SUMMARY

Funded by the US Department of Housing & Urban Development (HUD) through the HOME Investment Partnership Program, the City of Woonsocket (the City) is administering FIRST HOME Down Payment Assistance Program. The goal of the First Home is to provide qualified Woonsocket home buyers with a loan in the amount of up to \$5,000 to assist with down payment in the purchase of their first home.

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Applicants who meet the necessary qualifications will receive their loan on a first-come, first-served basis. There are limited funds available, and the City reserves the right to expand or terminate the program depending on the availability of funds and/or market conditions.

Name of primary lender responsible for issuing the purchase money loan (in first position) for the purchase of the above identified residence:

NAME

Street Address

City State Zip

Appraised value of the home	\$
Applicant/home buyer's verified and the total gross annual household income	\$
Applicant/home buyer's housing debt (front-end ratio: includes mortgage principal and interest, mortgage insurance premium, hazard insurance premium, property taxes, and homeowners' association dues)	\$
Applicant/home buyer's household debt (back-end ration: includes all recurring debt such as credit card payments, Car loans, student loans, child support payments, alimony payments, and legal judgments)	\$
Applicant/home buyer's total available assets	\$
Applicant/home buyer provide of his/her own money toward the purchase of the home?	\$
Is applicant/ home buyer's qualifying front-end debt to income ratio within 23%-28% and no more than 41% on back-end ratio? If no, please list percentages and explain.	<ul style="list-style-type: none"> • Yes • No

City of Woonsocket FIRST HOME Down Payment Assistance Program Application Package

LENDER AFFIDAVIT FORM - CREDIT APPROVAL FORM TO BE COMPLETED BY PRIMARY LENDER — (LENDER & NOTARY SIGNATURE REQUIRED) – Page 2 of 2 Pages

A preliminary credit approval is contingent on the Applicant/Buyer(s) meeting all requirements of our lending institution for closing.

The anticipated closing date is _____.

The applicant/buyer(s) above will be receiving the following type of loan:

FHA VA Conventional Loan Interest rate _____

Applicant/Buyer's Title Company: _____

Address City State Zip _____ Phone _____

Seller's Title Company: _____ Phone _____

The above Program Summary has been read. The above financial information is accurate and complete.

<i>Lending Officer Signature Name of Lending Institution</i>	
<i>Lending Officer - Print Name Address</i>	
<i>Telephone</i>	<i>e-mail</i>
<i>City</i>	<i>Zip</i>

On this ____ day of _____, 20____, before me personally appeared _____, who being first duly sworn says that they executed the above instrument and that said person was authorized to make the representations by the above lending institution, and that said instrument was signed on behalf of the above lending institution.

Subscribed and sworn to before me this ____ day of _____, 20____.

Notary Public
My commission expires:

(Stamp)

Subsidy Layering Review

BUYER (or Lender) MUST COMPLETE SECTIONS I, II, III and IV OF THIS SUBSIDY LAYERING REVIEW

The City of Woonsocket's subsidy layering process for First Time HOME Buyers is required as part of the First Home Down Payment Assistance Program underwriting requirement. The City must demonstrate that it is not investing any more HOME funds, alone or in combination with other funds, than is necessary to provide quality, affordable, and financially viable housing for at least the duration of the affordability period.

****** THERE WILL BE NO CASH BACK TO BUYER ALLOWED WITH THE EXCEPTION OF BUYER CONTRIBUTIONS (Deposit, Appraisal, Credit, Inspection fees POC) ****** Assistance is contingent upon final Settlement Statement evidencing project was not over-subsidized. ***

The Subsidy layering process includes a review of the following:

- I. All Sources and Uses of Funds to ensure a household or family is not receiving excessive subsidy given the need
- II. Front and Back End Ratios
- III. Loan to Value
- IV. Applicant Certification of No Additional Governmental Assistance

Before providing down payment assistance, the City HOME Program Administration must assess if other governmental assistance has been, or is expected to be, made available to the project. The aggregate amount of assistance from HUD and from other sources is considered to ensure the feasibility of the assisted project.

If no such governmental assistance is to be provided at the time of the application or in the future, the applicant(s) should certify to that fact on the Woonsocket Subsidy Layering Certification form in Section IV of this Subsidy Layering Review section.

What is Governmental Assistance?

Governmental assistance includes any loan, grant, (including Community Development Block Grant), guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal, State or local government for use in, or in connection with, a specific housing project (including 203k funds).

What are Maximum Per Unit Subsidy Limits

The amount of HOME funds that a PJ may invest on a per-unit basis in affordable housing may not exceed the per unit dollar limits established under section 221(d)(3) of the National Housing Act for elevator-type projects, involving nonprofit mortgagors that apply to the area in which the housing is located.

What if the project is over subsidized?

If the City determines that the total amount of HOME assistance and other governmental assistance exceeds the amount that the City determines is necessary to make the project feasible due to the unreasonableness of the costs and/or the projected rate of return, the City can reduce the amount of HOME assistance. The City may also consider other adjustment options such as reduce the term of the loan in order to lower the rate of return; or deny HOME assistance if the applicant refuses to make reasonable adjustments or to limit its return/costs.

Subsidy Layering Review, Continued

SOURCES AND USES:

- 1) Sources proposed (funds to pay costs, both private and public) of funds and the dollar amount(s) for each respective source,
- 2) Uses of all funds (one-time costs, including acquisition costs, rehabilitation/or construction costs, financing costs and professional fees) associated with the project.

Sources of Funds:

The following documents are required to assess sources of all funds and their commitments:

- (1) Commitment letters with all terms and conditions for all sources including:
 - Mortgages, Grants, Subordination agreements, bridge (interim) loans and investment tax credits (historical, low-income, if applicable) and
- (2) Bank Loan Application (Form 1003)
- (3) If the applicant is a partnership, a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).

Uses of Funds:

The following documents are required:

- (1) Earnest money agreement, Purchase & Sales Agreement, option or closing statement for land and/or building(s).
- (2) Construction cost estimate;
- (3) Construction contract or preliminary bid(s);
- (4) Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions);
- (5) Appraisal to substantiate the value of the land and the value of the property after rehabilitation or the structure being built; Loan to Value is typically no more than 60-80%. and
- (6) if low-income housing tax credits are utilized, documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individual who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions in the offering should be verified in the supporting documentation.

I. COMPLETE THE FOLLOWING SOURCES AND USES STATEMENT BY INDICATING AMOUNTS:

<u>SOURCES (Where funds are coming from)</u>	<u>USES (Needed by Buyer)</u>
Principal Mortgage \$ _____	Purchase Price (P&S) \$ _____
Secondary Mortgage \$ _____	Settlement Charges (from GFE) \$ _____
Seller Concession/Credit \$ _____	Other \$ _____
Grants (<u>EXCLUDE</u> Woon.) \$ _____	
Buyer's Deposit \$ _____	
Appraisal Cost \$ _____	
Credit Check Cost \$ _____	
Other Buyer Costs \$ _____	

Describe Other Buyer Costs/ Contributions and/or Fees _____

	_____	ENTER TOTAL OF ALL SOURCES LISTED
-	_____	ENTER TOTAL OF ALL USES TO DEDUCT FROM SOURCES
=	_____	ENTER TOTAL REQUIRED OR REMAINING

SUBSIDY LAYERING REVIEW FORM – (SIGNATURE REQUIRED)

APPLICANT CERTIFICATION

Per HUD Regulations, 24 CFR 92.250(b), the City will obtain a formal certification from each applicant concerning the governmental assistance provided or to be provided to the project. If no such assistance is to be provided at the time of application or in the future, the applicant(s) will need to certify to that fact. The applicant must also certify that should other governmental assistance be sought in the future, the City will be notified promptly.

I (print name) _____ hereby certify as Borrower and Applicant that in the project being undertaken at

(address)

with the City of Woonsocket, RI as lender, no other governmental assistance is being provided or will be provided in the future to the project. If other governmental assistance is sought in the future, the City will be notified promptly.

SIGNED

DATE

WATCH OUT FOR LEAD BASED PAINT POISONING NOTIFICATION FORM – Page 1 of 2 pages (Signature Required)

TO: OWNERS AND TENANTS OF HOUSING CONSTRUCTED BEFORE 1978

If a property was constructed before 1978, there is a possibility it contains lead-based paint.

PLEASE READ THE FOLLOWING INFORMATION CONCERNING LEAD PAINT POISONING.

Sources of Lead Based Paint

The interiors of older homes and apartments often have layers of lead-based paint on the walls, ceilings, windowsills and doorframes. Lead-based paint and primers may also have been used on outside porches, railings, garages, fire escapes and lampposts. When the paint chips, flakes or peels off, there may be a real danger for babies and young children. Children may eat paint chips or chew on painted railings, windowsills or other items when parents are not around. Children can also ingest lead even if they do not specifically eat paint chips. For example, when children play in an area where there are loose paint chips or dust particles containing lead, they may get these particles on their hands, put their hands into their mouths, and ingest a dangerous amount of lead.

Hazards of Lead-Based Paint poisoning are dangerous--especially to children under the age of seven (7). It can eventually cause mental retardation, blindness and even death.

Symptoms of Lead-Based Paint Poisoning

Has your child been especially cranky or irritable? Is he or she eating normally? Does your child have stomachaches and vomiting? Does he or she complain about headaches? Is your child unwilling to play? These may be signs of lead poisoning. Many times though, there are no symptoms at all. Because there are no symptoms does not mean that you should not be concerned if you believe your child has been exposed to lead-based paint.

Advisability and Availability of Blood Lead Level Screening

If you suspect that your child has eaten chips of paint or someone told you this, you should take your child to the doctor or clinic for testing. If the test shows that your child has an elevated blood lead level, treatment is available. Contact your doctor or local health department for help or more information. Lead screening and treatment are available through the Medicaid Program for those who are eligible. If your child is identified as having an elevated blood lead level, you should immediately notify the Community Development or other agency to which you or your landlord is applying for rehabilitation assistance so the necessary steps can be taken to test your unit for lead based paint hazards. If your unit does have lead-based paint, you may be eligible for assistance to abate that hazard.

Precautions to Take to Prevent Lead-Based Paint Poisoning

You can avoid lead-based paint poisoning by performing some preventive maintenance. Look at your walls, ceilings, doorframes and windowsills. Are there places where the paint is peeling, flaking, chipping, or powdering? If so, there are some things you can do immediately to protect your child:

- (a) Cover all furniture and appliances;
- (b) Get a broom or stiff brush and remove all loose pieces of paint from walls, woodwork, window wells and ceilings;
- (c) Sweep up all pieces of paint and plaster and put them in a paper bag or wrap them in newspaper. Put these packages in the trash can. DO NOT BURN THEM.
- (d) Do not leave paint chips on the floor or in window wells. Damp mop floors and windowsills in and around the work area to remove all dust and paint particles. Keeping these areas clear of paint chips, dust and dirt is easy and very important; and
- (e) Do not allow loose paint to remain within your children's reach since children may pick loose paint off the lower part of the walls.

Homeowner Maintenance and Treatment of Lead-Based Paint Hazards

As a homeowner, you should take the necessary steps to keep your home in good shape. Water leaks from faulty plumbing, defective roofs and exterior holes or breaks may admit rain and dampness into the interior of your home. These conditions damage walls and ceilings and cause paint to peel, crack or flake. These conditions should be corrected immediately. Before

WATCH OUT FOR LEAD BASED PAINT POISONING NOTIFICATION FORM – PAGE 2 OF 2 PAGES (SIGNATURE REQUIRED)

repainting, all surfaces that are peeling, cracking, chipping or loose should be thoroughly cleaned by scraping or brushing the loose paint from the surface, then repainted with two (2) coats of non-lead paint.

Instead of scraping and repainting, the surface may be covered with other material such as wallboard, gypsum or paneling. Beware that when lead-based paint is removed by scraping or sanding, a dust is created, which may be hazardous. The dust can enter the body either by breathing or swallowing it. The use of heat or paint removers could create a vapor or fume which may cause poisoning if inhaled over a long period of time. Whenever possible, the removal of lead-based paint should take place when there are no children or pregnant women on the premises.

SIMPLY PAINTING OVER DEFECTIVE LEAD-BASED PAINT SURFACES DOES NOT ELIMINATE THE HAZARD. REMEMBER THAT YOU CAN AS AN ADULT PLAY A MAJOR ROLE IN THE PREVENTION OF LEAD POISONING. YOUR ACTIONS AND AWARENESS ABOUT THE LEAD PROBLEM CAN MAKE A BIG DIFFERENCE.

Tenant and Home buyer Responsibilities

You should immediately notify the management office or the agency through which you are purchasing your home if the unit has flaking, chipping, powdering or peeling paint, water leaks from plumbing, or a defective roof. You should cooperate with that office's effort to repair the unit.

I have reviewed the notice entitled "Watch Out for Lead Paint Poisoning."

Print Full Name

Date

Signature

Print Full Name

Date

Signature

APPLICANT ELIGIBILITY, APPLICATION INSTRUCTIONS, AND UNDERWRITING STANDARDS

Eligibility Criteria

Applicant must be 18 years of age or older

Applicant must meet income eligibility for his/her household size as determined by HUD (included in the application package)

Real property must not exceed HUD's Homeownership value limits for Providence County (included in the application package)

Applicants must be a first-time home buyer. A first-time home buyer is an individual, and his or her spouse who have not owned a home during the 3-year period ending on the date of purchase of property. The term first-time home buyer also includes a displaced homemaker or a single parent who has only owned a home with a spouse.

Applicants must occupy the home as their primary and principal residence for the affordability period.

The condition of the property must meet HUD Property Standards BEFORE ACQUISITION (Guidelines include Uniform Physical Condition Standards definitions).

Applicants must receive an approved FHA, VA, or conventional loan. The applicant's Title Company or closing agent must be willing to execute and provide the City with all the real estate documents (detailed within this application package).

Eligible properties must be zoned for residential use only and are limited to Single Family (1-4 units).

An Environmental Review must show there is no environmental adverse impact.

The City loan must be targeted toward down payment (and later indicated as such on the HUD-1 Settlement Statement as Woonsocket Down Payment Loan).

The purchase of said property must not lead to the displacement of any individual other than the seller and his/her immediate family.

Applicant must pass all City underwriting standards, which includes but is not limited to a review of primary lender application and commitment, as well as other financial resources.

INSTRUCTIONS

Review, complete, and submit the following forms, which are found in this application package:

Application Form

No Conflict of Interest Certification Form

Eligibility Release Form

Income Eligibility Form

Subsidy Layering Review Form

First-Time Buyer Certification Form

Primary Lender Preliminary Credit Approval Form

Watch Out For Lead Based Paint Poisoning Notification Form

Collect and submit the following documents:

- Income verification (check stubs, tax returns, other documentation). Two (2) months of current pay stubs and copy of previous year's tax return (IRS Form 1040 and Form 4506) and verification for any other source of income for applicant/co-applicant and any family member 18 years or older. If an applicant/co-applicant did not file a previous year's tax return, they must submit a letter stating why there was no tax return filed for the previous year, as well as an original letter from current employer, on company letterhead, stating expected rate of pay and expected number of scheduled hours for the upcoming year
- Copy of Driver's License (if license is unavailable, provide a picture ID)
- Real Estate Purchase and Sales Contract
- Seller's Lead Disclosure
- Preliminary title report/commitment stating property appears free and clear for sale to applicant
- Real estate appraisal
- Home buyer counseling course certificate from a HUD approved course or counseling agency
- Copy of bank loan application (primary lender)

If applicable, provide written information of any participation by a co-applicant, co-owner, co-borrower, or cosigner that will be participating in the purchase of the home whose name does not appear on the initial city application. Include name, relationship to applicant, and in what capacity they will be participating in the purchase. The city must be informed and approve of their participation before closing.

TIMING

Upon approval of the application (includes Program property condition assessment), and a signed Loan Agreement, the City upon request will issue a Letter of Commitment, and start the accounting processes and issue a check made payable to the escrow agent, which will be disbursed according to the Letter of Commitment.

The City must be notified at least 14 working days prior to the date of closing.

After closing, the escrow agent is to return to the City all the completed documents required by Program.

These documents include:

- Mortgage (recorded copy; currently 4 pages including Exh. A) - This document states the City is a beneficiary whereby the City has a lien on the purchased property until the loan is repaid.
- Closing Disclosure/Settlement Statement and Loan Estimate
- Promissory Note - This document states that the Applicant agrees to pay the City the loan amount if they should move, sell or refinance the HOME-Assisted Property.
- Copy of the final Title Report or copy of Title Insurance policy issued to Applicant/Buyer.
- Copy of home owner's insurance certificate listing the City as a named insured, as well as a certificate of flood insurance, if property is in a designated flood plain.

PROGRAM-RELATED POLICIES

Program Property Condition Policy

The condition of the property must meet HUD Property Standards BEFORE CLOSING/ACQUISITION. (Guidelines include Uniform Physical Condition Standards definitions and RI Property Maintenance Code). The Program Construction Supervisor will perform a Buyer Program Inspection and provide a report to the buyer based on observed deficiencies which must be corrected before closing. It is recommended that the City Program inspection be conducted within the agreed upon inspection period to assist in negotiating repairs.

The Property Condition Assessment will be completed by the City on all homes for health and safety concerns and for Lead Based Paint hazards for homes built prior to 1978. Buyer is responsible for obtaining and providing the City with an "Acceptable Clearance Certificate" by a licensed lead inspector if required and correcting all repairs noted on the Program inspection.

Property Condition/Standards Inspection – to be conducted by the City. NOTE! The Program Inspection does not replace a formal home inspection completed by a professional. A home inspection is recommended by the Program in addition to the city's program inspection.

****** It is recommended (but not required) for all parties involved to have the City's HOME Program inspection at the same time as your professional home inspection within the period allowed. ******

Equal Housing Opportunity Policy

The City of Woonsocket HOME Program is funded through the US Dept. of Housing & Urban Development Home Investment Partnership Program. In the administration of all City programs, the City of Woonsocket makes every effort to ensure non-discriminatory treatment, outreach and access to program resources.

Please let us know if your program participation requires specific accommodations for a disability, or if you need an interpreter and/or other auxiliary aid for effective communication.

Flood Insurance Policy

HOME-Assisted property owners are mandated to purchase and maintain flood insurance for structures located within the Special Flood Hazard Area or 100-year floodplain and submit policy documentation, as requested.

Refinancing / Subordination Policy

The City of Woonsocket is not legally required to agree to subordinate its mortgage to any new financing position. However, the City will consider the subordination of its mortgage(s) for refinancing proposals that adhere to the policy guidelines as detailed in the Subordination Request Application, available from the City of Woonsocket. The City will subordinate TO A SECOND POSITION ONLY.

Predatory Lending Policy

The City of Woonsocket opposes predatory lending. A predatory loan is an unsuitable loan designed to exploit vulnerable and unsophisticated borrowers. Predatory loans are a subset of sub-prime loans. A predatory loan has one or more of the following features: 1) charges more interest and fees than is required to cover the added risk of lending to borrowers with credit imperfections; 2) contains abusive terms and conditions that trap borrowers and lead to increased indebtedness; 3) does not take into account the borrower's ability to repay the loan; and 4) often violates fair lending laws by targeting women, minorities, and communities of color. Call The Housing Network at 1-800-436-3180 for more information. The Housing Network offers public education aimed at stopping predatory lending practices in the state. They educate families and individuals about how to avoid predatory lending scams and about

available community resources. The Housing Network offers families a safe place to call before they sign anything that puts their home at risk. Additional lending information is available at www.consumerfinance.gov.

Recapture Policy

If the loan falls into default or the assisted owner elects to sell prior to the expiration of the affordability period, the entire amount of HOME assistance becomes due. The forgivable loan portion is forgiven in one lump sum upon the expiration of the affordability period.

However, if the owner elects to sell and there are no net proceeds from the sale, or the net proceeds are insufficient to repay the HOME investment due, 24 CFR Part 92 Interim Rule revised 92.254 clarifies that recaptures are limited to the amount of net proceeds (sale price minus loan repayment (other than HOME funds) and any closing costs).

Conflict of Interest Policy

No payment, bonus, commission or fee will be given or taken for the purpose of obtaining the City or its agent's approval or concurrence in connection with the procurement of this Loan.

No persons described in paragraph below titled "Persons Covered" who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

Uniform Relocation Act

Because the Applicant, not the City, will take responsibility for the selection and negotiation of a dwelling unit, the requirements of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (URA) are not triggered. The City reserves the right to deny assistance in circumstances in which compliance with the URA may be required.

HUD APPROVED AGENCY HOME BUYER COUNSELING COURSES

Offered by:

WNDC/NeighborWorks
719 Front Street, Suite 103
Woonsocket, RI 02895
401-762-0074 x 208

Housing Network of RI
1070 Main Street
Pawtucket, RI 02860
401-521-1461

RI Housing
44 Washington Street
Providence, RI 02903
401-457-1130

HUD Income Limits and HOME Purchase Price Limits (SUBJECT TO CHANGE)

HOUSEHOLD SIZE MAXIMUM YEARLY INCOME (effective 6/1/2018 and subject to change) – Adjusted gross income as defined by the Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax reporting purposes.

Household Size							
1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
45,000	51,400	57,850	64,250	69,400	74,550	79,700	84,850

The above figures represent 80% Area Median Income Limits (AMI) and are subject to change.

HOME PURCHASE PRICE LIMITS

Real property must not exceed HUD's Homeownership value limits for existing homes in Providence County. The following *existing HOME Purchase Price limits are effective April 1, 2018*. (Contact Program Manager for New Construction HOME Limits.):

1 unit - \$204,000; 2 unit - \$261,000; 3 unit - \$317,000; 4 unit - \$392,000

If you have any questions or concerns regarding the application process, please call the Program Manager at 401-767-9228.

MAIL OR DELIVER DOCUMENTS TO:

City of Woonsocket, 169 Main Street, PO Box B
 Housing Division
 Department of Planning and Development
 Woonsocket, RI 02895
 FAX (401) 766-9312
 sdicolella@woonsocketri.org