

HABEMATOLEL Pomo of Upper Lake

375 E. HWY. 20, STE I PO. BOX 516 · UPPER LAKE, CA 95485

(707) 275-0737 - FAX: (707) 275-0757

Homebuyers Assistance Program

Administrative Plan

POLICIES AND PROCEDURES

HOUSING SERVICES DEPARTMENT

PROGRAM DESCRIPTIONS

Purpose and Administration

The purpose of the Homebuyers Assistance Program is to provide Tribal members who are able to qualify for conventional mortgages based on the individual borrowers own credit history. The Homebuyers Assistance Program will provide down payment assistance up to \$10,000.00 to Tribal members who qualify to buy a home but have affordability "gap".

The HABEMATOLEL Indian Tribe has designated the Housing Services Department as the department to administer this program in order to ensure that the services provided are responsive to the needs of the tribe/program participants..

The administration of this program is consistent with a Housing Services Department's strategy to address the problem of supply and availability of quality affordable dwellings.

The Housing Services Department will act as a catalyst to secure resources and develop innovative programs for the provision of safe, decent and sanitary housing which will be available and affordable to qualified Tribal members.

Funding

The Housing Services Department will base their services on the availability of budgeted funds provided by the HABEMATOLEL Pomo of Upper Lake Tribal Council. This amount is not to exceed \$10,000.00 per applicant.

Services Available

There is only one category of service available under this program.

Provisions of a **one time** only financial assistance to first time homebuyers Tribal members families who qualify for conventional mortgages but who have a lack of funds for down payment and closing costs.

ELIGIBILITY:

Any recognized Tribal member that lives within the service area. Applicant must be a current member in good standing is a duly enrolled tribal member who has no pending enrollment matters suspending the enrollment status (disenrollment or pending disenrollment), free from sanctions and who is current and in compliance with all previously utilized HABEMATOLEL Pomo Of Upper Lake programs and services.

Housing Services Department's Preferences:

The Housing Services shall assist applicants in the following order, by date and time of receipt of complete documents as described below (Application Requirements):

Application Qualifications:

1. They must qualify for a conventional interest rate mortgage loan based on the credit history of the individual borrower.
2. The home they wish to buy does not exceed the FHA limits for their county.
3. The home has been inspected by qualified termite (Section I clearance), septic and well (if applicable) inspectors and meets the safe, decent and sanitary condition as evidenced by a copy of the inspection/appraisal report.
4. The amount of assistance needed does not exceed \$10,000.
5. The applicant provides proof that no similar local assistance is available.
6. All properties assisted with this Program must be covered by homeowners insurance by the applicant and be kept well maintained.
7. The home purchased with this program must be utilized as the primary residence of the participant/applicant for a minimum of 10 years from the date of purchase.

Application Requirements:

Applicants must:

1. Through their mortgage lender:
 - a. Provide proof of income for all permanent members of the household.
 - b. Provide proof of FHA limits for their county.
 - c. Provide proof that the purchase price of the home does not exceed the appraised value.
 - d. Provide a copy of the inspections reports/appraisal documentation to show that the home meets Housing Services' safe, decent and sanitary standards at closing time.
 - e. Provide documentation of the "affordability gap" which is the difference between the amount of the loan the family can qualify for (based on 30% to 33% of the buyers gross monthly income towards housing costs) and the purchase price of the home, and that this gap does not exceed \$10,000 (including costs of inspections, and any other normal "buyer" costs related to closing).
 - f. Provide documentation that no similar program exists within their jurisdiction, they have been denied participation or that the resources they received is not adequate.
 - g. Sign a "silent second" mortgage at the time of closing which will require repayment of a portion of this assistance if the home is sold within the first ten (10) years. This second will be reduced by 10% per year.

Special Conditions:

Floodplain: Units in the 100-year floodplain will not be eligible, unless the unit can be and is insured by federal flood insurance for the period of affordability.

**Lead-Base
Paint**

Requirements for lead-base paint properties constructed prior to 1978 will be addressed prior to purchase. Lead-base paint inspections are to be conducted by the owner/seller.

Housing Services (Staff) Responsibilities:

1. The Housing Services' staff will review documents submitted as described on the following page. If an applicant is found ineligible for the program or if the applicant does not qualify; the applicant will be notified in writing.
2. Applicants/Lenders will be notified if documents are missing and/or incomplete.
3. Housing Services is the intermediary between the Housing Commission, applicant, Mortgage Lender and Escrow Company; sees that the down payment is transacted properly.
4. Applicants will be assisted based on the availability of funds, the preferences listed above and the first to submit all the required documentation. **TIE BREAKER: In case of a tie, a drawing (lottery) will be performed.**

Process

1. Applicant sends to the Housing Service Department documentation of Tribal membership.
2. Applicant provides proof that no similar local Homebuyers' Assistance is available.
3. Applicant contacts a mortgage lender and requests to be pre-qualified for a loan.
 - a. Mortgage Lender will notify the Housing Services Department that will:
 1. Specify that the applicant is eligible for a loan
 2. What the current interest rate is for a loan
 3. How much the family can borrow at this interest rate based on 30-33% of the applicant's gross monthly income towards housing costs (principal, interest, taxes and insurance)
 4. Provide proof of the FHA limits for their county
 5. Provide proof of the applicant's income

4. Applicant makes offer to purchase a home. It must be specified that the offer is contingent upon approval of the Homebuyer's Assistance provided by the Housing Services Department and approved by the Housing Commission.
 - a. When a manufactured home is purchased, the applicant will be required to sign a "Security Agreement, Addendum to Security Agreement and Promissory Note" to be reviewed by the lender.
5. The Housing Services Department will issue a letter to the applicant with a copy to the lender specifying the level of down payment assistance available to the applicant.
6. A copy of the "offer to purchase" and estimate of closing costs must be provided to the Housing Services Department immediately after the offer is accepted. The total price of the home must not exceed the FHA limits nor the amount of loan the applicant is eligible for plus the available subsidy.
7. The Housing Services Department will present the offer and level of assistance requested to the Housing Commission. The Housing Commission will meet within 10 working days from date of receipt of completed documentation.
8. The approval of assistance by the Housing Commissioners will be contingent upon the following inspections:
 - a. Home must be inspected by a qualified termite inspector (Section 1 Clearance)
 - b. Septic tank and well inspection (if applicable)
 - c. A FHA level appraisal report
 - d. Applicant is encouraged, but not required, to request a "home inspection" from a licensed home inspector.
 - e. These reports will give a detailed explanation to the applicant of the condition of the home. The Housing Services Department will issue a letter specifying any requirements as indicated by these inspections. All repairs must be completed at the sellers expense prior to loan closing.
9. Upon proof of completion of all work items and clearance of all other contingencies, the Housing Services Department will request a check for the down-payment assistance to the Escrow Company along with instructions for the Promissory Note and Deed of Trust; Security Agreements with Addendum attached and the Promissory Note where Manufactured Homes are involved.