



## Description of the DPA Homebuyer Assistance Program for Oklahoma City

The Homebuyer Down Payment & Closing Cost Assistance Program (DPA Program) provides funds for low-to-moderate-income individuals and families to purchase their home and realize the great American Dream of Homeownership.

Neighborhood Housing Services Oklahoma (NHSOKLA) offers different DPA Programs with some similarity in basic requirements and some specific requirements for each program to meet the needs of clients and market demand. Each program offers assistance for a designated target area (**Refer to Maps and DPA Program Matrix**). All DPA Programs are contingent upon funding availability and are administered on a first come first serve basis. Funds will not be reserved until Neighborhood Housing Services Oklahoma (NHSOKLA) receives a copy of the fully executed purchase contract.

Assistance is provided in the form of a five-year forgivable second mortgage to be filed at the County Courthouse and held by the City of Oklahoma City or Neighborhood Housing Services Oklahoma. The second mortgage is subject to forgiveness after buyers have occupied the home as their primary residence for five years (Affordability Period). If the property is sold, refinanced or conveyed during the five-year affordability period, the buyers will need to contact NHSOKLA at (405) 231-4663 and request a payoff amount prior to closing. The forgiveness of the second mortgage is 1/60th per month, beginning 60 days after closing. If the property is sub-leased during the five-year affordability period, the full amount of DPA that was provided will be required to be paid back.

### **The City of Oklahoma City HOME Program:**

This program serves two different areas and the buyer's household must meet the HUD's 80% Average Median Income limits. Income is calculated utilizing the 1040 Adjusted Gross method.

1. The first area is the **NRSA Area**. If a buyer purchases in the targeted NRSA area (**see map**), this program will assist the buyers with up to \$14,999 for Down Payment and Closing Costs.
2. The second area is the **Low/Mod Area (see map)**. If the property is located in the Low/Mod Area, the program will assist the buyers with up to \$14,999 for Down Payment and Closing Costs.

***The amount of assistance will be calculated as follows: Funding amount needed to obtain loan to value (LTV) not to exceed 90% of purchase price, including closing costs and all credits toward the purchase and homebuyer required investments have been calculated.***

**It is imperative that you contact the NHSOKLA office prior to committing to a property for verification that the property address qualifies for Down Payment assistance!**



## 80% Area Median Income Guidelines

Family Size	Annual Income
1	\$38,850.00
2	\$44,400.00
3	\$49,950.00
4	\$55,500.00
5	\$59,950.00
6	\$64,400.00
7	\$68,850.00
8	\$73,300.00

New Income Limits are established by HUD Annually

The Following Requirements apply:

Excluded Students are prohibited from receiving HOME housing assistance.

- Program restrictions on student participation found at [24 CFR 5.612](#), which exclude any student who:
  - Is enrolled in a higher education institution
  - Is under age 24
  - Is not a veteran of the U.S. military
  - Is not married
  - Does not have a dependent child(ren)
  - Is not a person with disabilities
  - Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income.
  - Buyer required to attend a Neighborhood Housing Services Oklahoma certified Homebuyer Education workshop. Certificates from other Homebuyer Education providers will not be accepted.
  - Buyer required to meet with Neighborhood Housing Services Housing counselor for budget review and verification.
  - Buyer must invest a **minimum** of 1% of sales price towards the home purchase. **If buyer is obtaining FHA financing, minimum investment is ½ of the minimum FHA down payment assistance requirement of 3.5%, (1.75%).** Cash back at closing if invest exceeds this guideline is not allowed!
  - Property must be primary residence.
  - Property being purchased must have been owner occupied/vacant at least 6 months prior to purchase date.
  - Down payment assistance approval is subject to a satisfactory Housing Quality Standards Inspection conducted by a NHSOKLA Inspector. There is no fee for the inspection.
  - Property cannot be located in Flood Zone
  - Front-end (housing payment only) cannot exceed 30.99% and back-end (all debts combined) cannot exceed 42.99%
  - If a co-mortgagor/co-signor is used to qualify for mortgage loan, the co-mortgagor/co-signor cannot be on the deed to the property. Primary applicant must still qualify at ratios of 30.99/42.99%
  - Buyer must legally reside in the United States
  - Buyer cannot have any felony convictions within three years of date of application.



**Homebuyers must fall at or below the established income limits for each DPA Program. Applicants who are over the income guidelines may re-apply 6 months after the original date of application.**

Participation in Homebuyer Assistance programs require cooperation from all parties involved in the purchase transaction. NHSOKLA, the buyer, realtor, seller, lender, and Title Company all have specific responsibilities in the homebuyer program. The homebuyer should allow a minimum of 45 days to complete the homebuyer program.

### **Submission of Application**

Prior to submitting an application for Down Payment Assistance, applicant must be pre-approved with a mortgage lender of their choice.

Applicants must contact our office and schedule an appointment with our Down Payment Assistance Coordinator to submit their application. **Down Payment Assistance Applications must be complete! Any missing information including disclosing liabilities, child support, Alimony/ Spousal support will be cause for assistance denial.**

- ✓ **Incomplete Down Payment Assistance applications missing any documents listed below will not be accepted.**
- ✓ Bring the application, General Release, Disclosure and Acknowledgment, Conditional Grant Agreement and non-returnable copies of the following documents with you to the appointment:
  - Credit report – this can be the credit report your lender pulled and provided or you can obtain a free copy of your credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com)
  - Two months most recent pay stubs for all working family members
  - Documentation of any other income, including social security, disability etc.
  - Divorce decree (if applicable and receiving child support)
  - Last two years W-2 forms
  - Federal income tax returns from last two years
  - Driver's licenses and social security cards for all household members
  - Last two months bank statements
  - Fully executed purchase contract\*\*\*\*\*
  - Certificate of completion of Homebuyer Education, if available
  - Lender pre-approval, if available
  - Loan Estimate prepared by lender  
\*\*\*\*\*DPA funds will not be reserved until applicant is in contract to purchase property AND the Lender /Borrower has provided NHSOKLA a copy of the Loan Estimate prepared by the lender\*\*\*\*\*.
- ✓ Buyer must pick up check and closing documents at NHSOKLA 1 hour before closing.
- ✓ Application and provided documentation are valid for 4 months from date of application.



## DOCUMENTS NEEDED FROM REALTOR

The realtor must provide NHSOKLA with copies of the following documents:

- ✓ Sales contract signed by buyer and seller
- ✓ Lead paint disclosure or the document “Lead-Based Paint: A Threat to Your Children” and all other Disclosures
- ✓ Complete and return the Realtor Information Sheet (provided by NHSOKLA at application interview)
- ✓ Schedule a Housing Quality Inspection with NHSOKLA Inspector. This is free and should be performed after the appraisal and repairs are completed. The inspection should be scheduled at least 1 week in advance of closing.

## DOCUMENTS NEEDED FROM LENDER

Signed Loan Application	Loan Estimate
Credit Report	Appraisal
Closing Disclosure signed by homebuyer(s)	Flood
Certification 1008/MCAW	Evidence of Insurance

## PROPERTY REQUIREMENTS

- ✓ The home must be located in an area where funding is currently available (see maps).
- ✓ The home must pass a Housing Quality Standards Inspection before closing. If repairs are needed they must be completed before closing. Copies of receipts for materials, photos, or re-inspection will be required as proof of repairs.
- ✓ Persons who live in the house prior to purchase cannot be displaced. The house must have been occupied by the seller, buyer, or been vacant for six months. The seller will be asked to sign the Homebuyer/Seller Certification verifying no displacement has occurred. If displacement has occurred, the **seller** will be required to settle any claims filed as a result of the displacement.
- ✓ **Property cannot be located in a flood zone.**



## **ELIGIBLE CLOSING COSTS**

### Items payable in connection with loan

- Loan Origination Fee-no more than  $\leq 1\%$  of principal (+\$200 on loans  $\leq$  \$80,000)
  - Appraisal report
  - Credit report
  - Flood certification fee-Must show property is not in 100 year flood zone
- Items Required By Lender to be Paid in Advance
  - Interest from \_\_\_ to \_\_\_ Days
  - Mortgage Insurance Premium
  - Hazard insurance premium

### Reserves Deposited With Lender

- ✓ Hazard Insurance,
- ✓ Mortgage Insurance(buyer may bring additional funds to avoid mortgage insurance)
- ✓ County Property Taxes

### Title Charges

- ✓ ½ Settlement/Closing Fee
- ✓ Abstract or Title Search – must be sellers expense – no assistance applied
- ✓ Title Examination
- ✓ Document Preparation Fee
- ✓ Notary Fee
- ✓ Title Insurance

### Government Recording and Transfer Charges

- ✓ Recording fees: deed, mortgage and releases
- ✓ City/County tax: deed, mortgage
- ✓ State Tax/ Stamps
- ✓ Mortgage certification/Documentary stamp
  
- ✓ Additional Settlement Charges
- ✓ Property Survey – Pin Surveys fees are capped
- ✓ Pest Inspection
- ✓ Home Inspection
- ✓ Home Service Warranty (from buyers' contribution)

**NOTE: Fees must be reasonable and customary for the area. Other Borrower paid costs are not automatically disapproved, but will be reviewed on a case-by-case basis.**

### **Homebuyer Education Class Schedule**

<http://www.nhsokla.org/events/list/>



## **Privacy and Opt Out Policy**

Neighborhood Housing Services Oklahoma is committed to assuring the privacy of individuals and/or families who have contacted us for assistance. We realize that the concerns you bring to us are highly personal in nature. We assure you that all information shared both orally and in writing will be managed within legal and ethical considerations. Your “nonpublic personal information,” such as your total debt information, income, living expenses and personal information concerning your financial circumstances, will be provided to creditors, program monitors, and others only with your authorization and signature on the Foreclosure Mitigation Counseling Agreement. We may also use anonymous aggregated case file information for the purpose of evaluating our services, gathering valuable research information and designing future programs.

### **Types of information that we gather about you**

- Information we receive from you orally, on applications or other forms, such as your name, address, social security number, assets, and income;
- Information about your transactions with us, your creditors, or others, such as your account balance, payment history, parties to transactions and credit card usage; and
- Information we receive from a credit reporting agency, such as your credit history.

### **You may opt-out of certain disclosures**

1. You have the opportunity to “opt-out” of disclosures of your nonpublic personal information to third parties (such as your creditors), that is, direct us not to make those disclosures.
2. If you choose to “opt-out”, we will not be able to answer questions from your creditors. If at any time, you wish to change your decision with regard to your “opt-out,” you may call us at (405) 231-4663 and do so.

### **Release of your information to third parties**

So long as you have not opted-out, we may disclose some or all of the information that we collect, as described above, to your creditors or third parties where we have determined that it would be helpful to you, would aid us in counseling you, or is a requirement of grant awards which make our services possible.

We may also disclose any nonpublic personal information about you or former customers to anyone as permitted by law (e.g., if we are compelled by legal process).

Within the organization, we restrict access to nonpublic personal information about you to those employees who need to know that information to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



## **Conflict of Interest Statement**

Neighborhood Housing Services Oklahoma Directors, employees, and officers will avoid actual and the appearance of conflicts of interest. They will inform clients when a real or potential conflict of interest arises and take all necessary steps to resolve the issue in a manner that makes the clients' interests primary and protects clients' interests. In some cases, protecting clients' interests may require termination of the professional relationship with proper referral of the client.

Neighborhood Housing Services Oklahoma Directors, employees, and officers will not take unfair advantage of any professional relationship or exploit others to further their personal, religious, political or business interests.

Any potential conflicts of interest (such as a counseling agency providing low-cost loans), will be disclosed to clients in a written disclosure document.





## Neighborhood Housing Services Oklahoma

4301 Classen Blvd, Oklahoma City OK 73118

Phone: (405)231-HOME (4663) Fax 405-231-5137

### Counseling Disclosure

- Neighborhood Housing Services Oklahoma (NHSOKLA) provides the following services:
  - Housing Counseling which includes pre-purchase and default counseling
  - Group education which includes Home Buyer Education
  - Down Payment Assistance Programs which include City of Oklahoma City and Cleveland/Logan/Pottawatomie Counties
  - Affordable homes for sale and rent.
- NHSOKLA does not have any financial relationships between our Agency and any other industry partners.
- While affordable homes, rental properties, lending products and other forms of assistance might be available through NHSOKLA, the client is under no obligation to utilize these services. Clients have a right to use loan products than those offered by the agency and purchase or rent properties other than those owned by the agency.
- NHSOKLA will limit referring services to those within their training and expertise, and refrain from giving legal, tax or accounting advice unless licensed to do so. Non-homeownership issues should be referred to other appropriate agencies to serve clients fully.
- NHSOKLA staff shall not give payment or receive payment from an outside source for a referral unless professional services of comparable value have been provided.
- NHSOKLA will avoid actual and the appearance of conflicts of interest. NHSOKLA will inform clients when a real or potential conflict of interest arises and take all necessary steps to resolve the issue in a manner that makes the clients' interests primary and protects clients'. In some cases, protecting clients' interests may require termination of the professional relationship with proper referral of the clients.
- NHSOKLA respect clients' right to privacy. Private information will not be requested from clients unless it is critical to providing services. Once private information is shared, privacy laws apply as well as client confidentiality.

