

Clearfield City's Down Payment Assistance Program

Administered by Davis Community Housing Authority

The Davis Community Housing Authority (DCHA) will be administering Clearfield City's Down Payment Assistance (CCDP) funds. This program is a federally funded grant program that will assist qualified first time home buyers with a maximum grant amount of \$5,000 to assist with closing costs or down payment. The home must be a detached single-family dwelling; townhomes, condominiums, and other attached multiple-family residences are not eligible. The home must be located in Clearfield City and must be owner occupied.

Applicants must be at or below the applicable income limits and be first time home buyers. 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.

Applicants who meet the necessary qualifications will receive their grant on a first come, first serve basis. In order to qualify, the applicant must complete all requirements as outlined in the application instructions.

These funds will be given out on a 3 to 1 match. Example: Applicant will provide \$500.00 of their money and the CCDP will contribute \$1,500.00.

The maximum amount that can be obtained from the CCDP is \$5,000.00.

Repayment requirements: Any funds received through this program will be forgiven at a declining rate over a seven-year residency requirement period. During the required time of residency, 10% for each year of residency will be forgiven over a period of six years with the remaining 40% balance credited after the full seven years of residency is completed. To receive these credits, Buyer(s) will be required to provide proof of residency in the form of utility billings and property tax notices for each year. No credit will be awarded without proof of residency as described above.

The applicant must complete a Housing and Urban Development (HUD) approved homebuyer education class and provide a certificate of completion.

An applicant must receive an approved fixed-rate FHA, VA, or conventional loan. The applicant's Title Company or closing agent must be willing to execute and provide the DCHA with all the real estate documents. A list of instructions will be provided to the agency responsible for conducting the closing transaction. It is the applicant's responsibility to ensure that all documents are properly prepared and forwarded to the DCHA in a timely manner.

The grant provided through this program shall be repaid, to Clearfield City, by the buyer(s), as described above, if the buyer(s) sell, exchange, transfer title, obtain a second mortgage, or decide to refinance for any reason. All grants are non-assumable and no subordinations subsequent to initial financing. **Clearfield City must hold second priority trust deed on the property.** Exceptions: under some circumstances the home owner may qualify for refinancing, with prior authorization from the Clearfield City CDBG Coordinator.

A Visual Assessment must be completed by the DCHA on all homes for health and safety concerns, and for Lead Based Paint concerns for homes built prior to 1978, as outlined in "Attachment A", if the home was built prior to 1978 a representative from DCHA shall perform a Visual Assessment to determine whether there are deteriorated paint surfaces present that could be a potential hazard to occupants. If potential hazardous Lead Based Paint conditions exist, the Seller and/or Buyer must take actions to remove the

hazardous conditions, pursuant to HUD guidelines. The Visual Assessment is required by the federal government in order to alert homebuyers to potential health and safety concerns as well as potential lead-based paint dangers prior to the closing. Federal funds may be withheld if certain problems exist and the seller and/or buyer do not wish to mitigate them. The seller or buyer, however, is free to complete the transaction without federal assistance. The homebuyer is encouraged to have a professional inspection regardless of the visual assessment conducted by the DCHA. The visual assessment is not intended to determine the nature and extent of health and safety problems, nor does it determine if unseen problems exist in the home.

Clearfield City's Down Payment Assistance Eligibility Criteria

1. Complete all of the attached CCDP application instructions.
2. Applicant(s) must meet Income Eligibility for his/her household size. Applicant must have yearly combined household income equal to or less than the following. DCHA will use current income documents provided at the time of application to determine income eligibility.

<u>Household Size</u>	<u>Maximum Yearly Income</u>
1 Person	\$38,350
2 Person	\$43,850
3 Person	\$49,300
4 Person	\$54,800
5 Person	\$59,200
6 Person	\$63,550
7 Person	\$67,950
8 Person	\$72,350

(The Above figures represent 80% Area Median Income Limits (AMI) FY 2009 and are subject to change)

3. Applicant(s) must be a U. S. Citizen or Resident Alien and be 18 years of age or older.
4. Must be a first-time homebuyer. 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. The home shall also be owner occupied.
5. Eligible Boundaries: Within Clearfield City.
6. Eligible properties must be zoned for residential use only and are limited to a detached single-family dwelling; townhomes, condominiums, and other attached multiple-family residences are not eligible.
7. Applicant must contribute a minimum \$500.00 of their own money towards the down payment or closing costs. Grant amount from the CCDP shall not exceed \$5,000. These funds will be given out on a 3 to 1 ratio.

Any funds received from this program must be applied to the down payment and/or closing costs. Any funds received through this program will need to be repaid to Clearfield City if the owner moves within 7 years of the date of closing. During the required time of residency, 10% for each year of residency will be forgiven over a period of six years with the remaining 40% balance credited after the full seven years of residency is completed. To receive these credits, Buyer(s) will be required to provide proof of residency in the form of utility billings and property tax notices for each year. No credit will be awarded without proof of residency as described above.

8. The purchase of said property must not lead to the displacement of any individual other than the seller and his/her immediate family.
9. Applicant must secure a fixed rate FHA, VA, or conventional financing for property purchase.
10. Real property must not exceed FHA mortgage limits for 2009 which is \$389,850.
11. A Visual Assessment must be completed by the DCHA on all homes for health and safety concerns and for Lead Based Paint concerns for homes built prior to 1978.
12. Applicant must complete a HUD approved home buyer education course and obtain a homebuyer certificate of course completion. (See attached list of approved courses)

SIGNATURES

Davis Community Housing Authority

Signature of DCHA Representative _____
Date

Mary Swanstrom
Name of DCHA Representative

Homebuyer(s)

Buyer Signature _____
Date

Buyer Name (Please Print)

Buyer Signature _____
Date

Buyer Name (Please Print)

Address of Property to be Purchased:

Address

Clearfield, UT 84015
City, State, Zip

Clearfield City's Down Payment Assistance
Applicant Instructions

1. An applicant will be considered for the CCDP Program once they have entered into a contract with the seller and have submitted the following to the DCHA:
 - A. Completed and signed CCDP Application.
 - B. Seller Affidavit attesting that purchasing the selected property does not lead to displacement of any current tenants.
 - C. Copy of applicant's Real Estate Purchase Contract with Seller.
 - D. Copy of previous year's tax return and four most current pay stubs 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.
 - E. Signed and notarized First Time Homebuyer's Affidavit.
 - F. Identification Documentation; a copy of birth certificate, passport, naturalization certificate, or resident alien card and valid Utah driver's license or identification card.
 - G. Signed Program Summary Page.
 - H. Signed Original Letter of Commitment.
 - I. Declaration of US Citizenship or Resident Alien form.
 - J. Completed Visual Assessment form.

2. Upon receipt, review and approval of the above, the DCHA upon request, will issue a Letter of Commitment. The applicant must also submit the following documents:
 - A. A copy of the Preliminary Title Report stating property appears free and clear for sale to Applicant.
 - B. The completed Lender Affidavit which states the lender agrees to the terms of the CCDP Program.
 - C. The completed Preliminary Credit Approval form from the Lender, stating that the Applicant has received preliminary credit approval and information regarding verification of current income.
 - D. Copy of Real Estate Appraisal.
 - E. Homebuyer Education Certificate from a HUD approved course or counseling agency.

NOTE: The DCHA must be informed of any participation by a co-owner, co-borrower or co-signer that will be participating in the purchase of the home whose name does not appear on the initial DCHA application. This must be done in writing, including name, relationship to applicant, and in what capacity they will be participating in the purchase. The DCHA must be informed and approve of their participation before closing.

A representative of the DCHA must perform a Visual Assessment for the presence of health and safety concerns, and the presence of potential lead-based paint dangers in homes built prior to 1978. If any potentially hazardous lead based paint conditions exist, they must be mitigated (responsibility of Seller and/or Buyer) before the DCHA can approve. The procedure outlined in “Attachment A” must be followed.

3. Upon acceptance of the required documents, the DCHA will issue a check made payable to the Title Company, to be disbursed according to a letter of instruction. The DCHA must be notified at least 10 working days prior to the date of closing. After closing, the escrow agent is to return to the DCHA all the completed documents described in the Letter of Instruction to the Escrow Agent. These documents include:

- A. Promissory Note - This document states that the Applicant agrees to repay Clearfield City the grant amount if they should move, sell or refinance the property. Please note that the City will not subordinate to second mortgages.
- B. Trust Deed - This document states Clearfield City is a beneficiary whereby Clearfield City has a lien on the purchased property until the grant is repaid.
- C. Notice of Default - This document states that the first mortgage holder will notify Clearfield City if and when the Applicant defaults on payments and property goes to foreclosure.
- D. Copy of the final Title Report or copy of Title Insurance policy issued to Buyer.

If you have any questions or concerns regarding the application process, please call Mary Swanstrom at (801) 939-9198.

MAIL OR DELIVER DOCUMENTS TO:

OR

EMAIL TO:

Davis Community Housing Authority
P.O. Box 328
352 South 200 West Suite 1
Farmington, Utah 84025

dchamswanstrom@xmission.com

DECLARATION OF U.S. CITIZENSHIP OR RESIDENT ALIEN

HOUSEHOLD MEMBERS			
NAME	DATE OF BIRTH	RELATIONSHIP	UNITED STATES CITIZEN?
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO

Buyer Name

Signature

Date

Buyer Name

Signature

Date

WARNING: Title 18, Section 1001 of the US code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

**CLEARFIELD CITY'S DOWN PAYMENT ASSISTANCE PROGRAM
LETTER OF COMMITMENT FROM DCHA**

Whereas _____ have/has provided the following:
Buyer(s)

1. A completed Clearfield City grant application.
2. A copy of an executed purchase agreement for the purchase of a single family dwelling located within the eligible area.
3. A signed and notarized Seller Affidavit.
4. A copy of applicant's previous year's tax return and current pay stubs.
5. A signed and notarized First-Time Homebuyer Affidavit.
6. Documentation of Citizenship Status and Age.

And whereas the Davis Community Housing Authority has reviewed the application and found it to meet all program requirements, the Grantee hereby acknowledges application for a grant of \$_____ and agrees to adhere to the requirements and procedures specified in this letter. Signature of the closing documents for the purchase, including the Grantor's Trust Deed and Promissory Note, will constitute the Grantee's acceptance of the grant on the terms specified in this Letter of Commitment.

COMMITMENT

Subject to the Grantee's following all procedures described in this Letter of Commitment, and fulfilling all requirements described herein, and upon the execution of the Trust Deed, Promissory Note, Notice of Default and obtaining the execution of the Lender's Affidavit, the Grantor hereby agrees to provide a grant of \$_____ to the undersigned Grantee(s), and acknowledges that said property is located at:

_____	Clearfield	Utah	84015
Address	City	State	Zip

This commitment of grant funds shall terminate forty-five (45) days from the date of the Letter of Commitment.

REQUIREMENTS

1. Buyer shall have a period of forty-five (45) days from the date of the Letter of Commitment to close on the property. A fixed-rate FHA, VA or other conventional first mortgage financing shall be allowed. There shall be no seller financing.
2. After receiving this Letter of Commitment and before any funds can be released, the buyer(s) shall provide to the DCHA:
 - a. A copy of a preliminary title report covering the property listed above.

IF THIS IS TO BE A SPLIT CLOSING WITH TITLE COMPANIES, THE DAVIS COMMUNITY HOUSING AUTHORITY MUST BE GIVEN THE INFORMATION FOR BOTH THE SELLER'S AND THE BUYER'S TITLE COMPANIES.

- b. Preliminary credit approval from the lender and verification of current household income reflecting applicant's total household income does not exceed eligibility criteria.
 - c. An executed Lender's Affidavit.
 - d. A copy of the appraisal for the property to be purchased.
3. After receipt of the above listed documents, our office will require 10 business days before funds can be issued.
4. Before funds can be released the DCHA must complete a Visual Assessment of the home for the presence of lead based paint dangers in homes built prior to 1978.
5. At the time of closing the Buyer will be required to sign a Visual Assessment Disclaimer acknowledging that the DCHA accepts no responsibility for any problems disclosed or not disclosed in their Visual Assessment Report.
6. At the time of closing, title must be vested in fee simple interest of the buyer(s), and the Trust Deed and Notice of Default securing the interest of Clearfield City is properly recorded. **Clearfield City must hold second priority trust deed on the property.**
7. Buyer(s) must provide at least \$ _____ of personal funds toward the purchase price or closing costs.
8. The grant provided by Clearfield City to the buyer(s) must be used by the buyer(s) for down payment and/or closing costs only.
9. If the buyer(s) sell, exchange, transfer title, obtain a second mortgage, or cease using the purchased property as their primary residence, the grant funds provided shall be repaid to Clearfield City, based on the agreement.
10. The grant shall be disbursed at time of closing and duly recorded on the closing settlement statement. These funds shall only be disbursed after the Promissory Note, Trust Deed, Request for Notice of Default, and Visual Assessment Disclaimer Affidavit are executed and notarized.
11. The residence to be purchased must be zoned for residential use only and is limited to a detached single-family dwelling; townhomes, condominiums, and other attached multiple-family residences are not eligible.

12. The buyer(s) must occupy the property to be acquired as the buyer(s)' primary personal residence
13. No Member of the Board of Directors, staff member of the DCHA or Clearfield City shall have any interest in the transaction with the buyer(s).

SIGNATURES

Davis Community Housing Authority

Jan Winborg
Executive Director

Date

Mary Swanstrom
Rehab Specialist

Date

Homebuyer(s)

Buyer Signature

Date

Buyer (Print Name)

Buyer Signature

Date

Buyer (Print Name)

Property Street Address

Clearfield, Utah 84015

City, State, Zip code

CLEARFIELD CITY'S DOWN PAYMENT ASSISTANCE
VISUAL ASSESSMENT FORM

Applicant:

Please provide the information listed below. A representative of the DCHA must perform a Visual Assessment for the presence of health and safety concerns, and the presence of potential lead-based paint dangers in homes built prior to 1978. **Year home was built** _____ .

Applicant is aware that a Davis Community Housing Authority representative will be contacting them or their realtor to make arrangements to inspect the home. The inspection should take place at least a week prior to the closing date.

Address of home to be purchased:

Street

Clearfield, UT 84015

City

Estimated Closing Date:

Applicant's Name:

Telephone #'s:

Home _____
Work _____
Cell _____

Name of Homebuyer's Realtor:

Company Name:

Telephone #'s:

Home _____
Work _____
Cell _____

Name of Seller's Realtor:

Company Name:

Telephone #'s:

Home _____
Work _____
Cell _____

DATE: _____

PRELIMINARY CREDIT APPROVAL

To: Davis Community Housing Authority
P.O. Box 328, 352 South 200 West Suite 1
Farmington, Utah 84025

Re: _____ Date: _____
Buyer's Name(s)

The above named individual(s) has/have received preliminary credit approval to purchase a home located at:

Address Clearfield Utah
City State

The appraised value of the home is: \$_____ Not Available at this time

The current household income for the above referenced Buyer(s), has been verified and the total gross annual household income has been calculated to be: \$_____

The buyer (s) will provide \$_____ of his/her own money toward the purchase of the above home.

This preliminary credit approval is contingent on the Buyer(s) meeting all requirements of our lending institution for closing. The anticipated closing date is _____.

The buyer(s) above will be receiving the following type of loan interest rate:

Type of Loan: FHA VA Conventional Loan Interest rate _____

Buyer's Title Company: _____ Phone _____

Address City State Zip

Seller's Title Company: _____ Phone _____

Lending Officer Signature

Name of Lending Institution

Lending Officer - Print Name

Address

Telephone

City Zip

CLEARFIELD CITY'S DOWN PAYMENT ASSISTANCE
LENDER AFFIDAVIT

STATE OF Utah }
 : ss
COUNTY OF Davis }

THE UNDERSIGNED OFFICER, BEING FIRST DULY SWORN, DEPOSES AND SAYS THAT:

1. The Undersigned represents the Lender responsible for issuing the purchase money loan (in first position) for the purchase of the residence located at:

_____ Clearfield Utah _____,
Street Address City State

and issued to _____ as Buyer (s).

2. The Undersigned has read the "Clearfield City Down Payment Assistance Program Summary" and Letter of Commitment executed between Davis Community Housing Authority, on behalf of Clearfield City, and the Buyer(s), with respect to the grant being made to help finance down payment and closing costs associated with the above residence.

Name of Lending Institution

Address

Phone Number

Signature of Lender's Representative

Name of Lender's Representative Title

On the _____ day of _____, 20____, personally appeared before me _____, 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____.

(Stamp)

Notary Public

HUD Approved Homebuyer Education Courses

Online Homebuyer Course

Offered by Utah State University Extension at
this web site:

<http://extension.usu.edu/cooperative/hbe/>

You will have to pay \$15 to receive the certificate of completion.

Community Development Corporation of Utah

501 East 1700 South
Salt Lake City, Utah 84105
Phone: 801-994-7222 ext.104
Toll Free: 866-994-7222
Website: www.slcdc.org

Utah State Extension

21 South State South Building Room 1200
Salt Lake City, Utah 84111
Phone: 801-468-3179

Salt Lake Community Action Program

764 South 200 West
Salt Lake City, Utah 84101
Phone: 801-359-2444

Salt Lake Neighborhood Housing Services,

622 West 500 North
Salt Lake City, Utah 84116
Phone: 801-539-1593
Website: www.slnhs.org

Your Community Connection

2261 Adams Avenue
Ogden, Utah 84401
Phone: 801-394-9456

Community Action Services

815 South 200 West, Suite 100
Provo, Utah 84601
Phone: 801-373-8200

Utah State University-Family Life Center

493 North 700 East
Logan, Utah 84321-423
Phone: 435-797-7224
Website: www.usu.edu

Cedar City Housing Authority

364 South 100 East
Cedar City, Utah 84720
Phone: 435-586-8462

Color Country Community Housing, Inc.

139 North 100th West
St. George, Utah 84770
Phone: 435-673-3131 ext. 10
Toll Free: 877-673-3166
Email: ccchi@infowest.com
Website: www.ccchi.net

ATTACHMENT A

Lead Based Paint Procedures

New regulations from the Department of Housing and Urban Development (HUD: 24 CFR Part 35 subpart K) require increased activities concerning possible lead based paint hazards in homes built before 1978. The primary reason why HUD and its grantees are addressing lead based paint hazards is to protect families and children. When deteriorated lead based paint surfaces are present, children under the age of 6 are in danger of being poisoned through the ingestion or inhalation of lead based paint dust, paint chips and/or lead based paint contaminated soil around the exterior of the home.

The following procedures are required for all homes built prior to 1978 before down payment assistance to a family purchasing such a home can be approved.

1- Notification

- a. Pamphlet and Disclosure.
- b. Notice of Lead Hazard Evaluation or Presumption, if applicable.
- c. Notice of Lead Hazard Reduction Activity.
This printed information will be part of the initial application packet.

2- Lead Hazard Evaluation

- a. Visual Assessment.
A visual assessment will be performed by DCHA personnel to determine whether there are deteriorated paint surfaces that could constitute a hazard to the occupants. Potentially hazardous paint surfaces are defined as more than 2 square feet of deteriorated surface on the interior of a home and more than 20 square feet of deteriorated surface on the exterior of a home. The cost to mitigate lead based paint problems will be the responsibility of the seller and/or buyer.

3- Lead Hazard Reduction

- a. Paint stabilization
- b. Safe Work Practices
- c. Clearance
If a home fails the Visual Assessment, the deteriorated surfaces must be repaired and stabilized. This work must be performed by a State of Utah Certified Lead Based Paint Contractor using Safe Work Practices as required by HUD, the EPA and OSHA. Following the completion of Paint Stabilization, a Clearance Test must be completed by a Certified Lead Based Paint Inspector or Risk Assessor to verify that the stabilization work has been successful and that the home is clean of hazardous residues.

The home seller could choose to have the home tested to determine whether lead based paint is present. The DCHA will accept this test report if it is performed by a Certified Lead Based Paint Inspector or Risk Assessor following HUD guidelines. The cost for private testing will be solely the responsibility of the seller.

FILE CHECK LIST

√ - boxes below for submitted documents

INITIAL APPLICATION

	Application		Real Estate Purchase Contract
	Latest Year Tax Return		Visual Assessment Form
	Current Check Stubs		Declaration of US Citizenship/Resident Alien
	Other Income		Copy of Birth Certificates
	Seller's Affidavit		Copy of Picture ID
	First Time Homebuyer Affidavit		Homebuyer Education Certificate
	Program Summary Signature page		
	Letter of Commitment with buyer signature(s)		Co-Signer Documentation (if applicable)

SUPPORT DOCUMENTS

	Preliminary Credit Approval		To be completed by Housing Authority
	Lender Affidavit		
	Preliminary Title Report		Visual Inspection
	Copy of Appraisal		Environmental Review
			Property Tax Evaluation
			Lead Based Paint Pamphlet Given to Buyer
			Confirmation of lead-based paint pamphlet
			Year Home Built _____ Verified _____