

## Down Payment & Closing Cost Assistance Guidelines

### Program Description:

In partnership with the City of Providence, the Housing Network of Rhode Island is offering a Down Payment and Closing Cost Assistance program to income eligible homebuyers in the City of Providence. The intent of this program is to increase homeownership rates among low income households within the City of Providence.

There is \$240,000 in funding available for applicants who are purchasing City of Providence HOME assisted units and an additional \$300,000 in funding being made available to applicants purchasing other subsidized housing units or market rate housing. Applications will be available on August 7th, 2015 and will be accepted for review after that date. Down Payment and Closing Cost Assistance is available on a first come, first serve basis. Assistance will be awarded based upon documented need, not to exceed the maximum assistance allowed for household area median income.

### Program Requirements:

Applicants to this program must:

- have a household income at or below 80 percent of area median income (AMI);
- must be prequalified for a mortgage and able to submit a current pre-qualification letter;
- be interested in purchasing a 1-3 family home in the City of Providence;
- live in the home as their primary residence;
- complete eight (8) hours of HUD approved Homebuyer Education prior to closing;
- if purchasing a multi-family, complete a three (3) hour Landlord class and a three (3) hour Lead Hazard Awareness Seminar;
- contribute \$1,500 of their own funds to the transaction;
- and be willing to abide by all other program restrictions and repayment requirements.

### Property Standards:

- Selected housing unit(s) must pass a required City home inspection;
- Housing must meet and comply with state and local building codes.

### Allowable Property Types:

- Single family housing;
- Two and three family housing unit;
- Condominiums

### **Down Payment & Closing Cost Assistance application process:**

- Application packets can be downloaded from [www.housingnetworkri.org](http://www.housingnetworkri.org) or picked up at the following locations:

Housing Network of Rhode Island, 1070 Main Street Suite 304, Pawtucket;

City of Providence, Planning and Development, 444 Westminister Street Suite 3A, Providence;

Omni Development Corporation, 810 Eddy Street, Providence;

One Neighborhood Builders, 66 Chaffee Street, Providence;

Providence Revolving Fund, 372 W Fountain Street, Providence;

Smith Hill Community Development Corporation, 231 Douglas Avenue, Providence;

Stop Wasting Abandoned Property Inc., 439 Pine Street, Providence;

West Elmwood Housing Development Corporation, 224 Dexter Street, Providence;

Women's Development Corporation, 861 Broad Street, Providence.

- Applications must be completed in their entirety and submitted (via mail to Housing Network of RI, 1070 Main Street, Pawtucket RI 02860) with all required documents to the Homeownership Coordinator for review.
- The Homeownership Coordinator will review the application for completeness before advancing application for income verification;
- In the event of an incomplete application, the applicant will be notified of missing documents and the application will be placed on hold pending receipt of the requested information;
- Complete applications will be advanced for income verification within three (3) business days of receipt of the application;
- Income verification and a decision regarding income eligibility will take place within seven (7) business days. A decision letter will be mailed to the applicant;
- If additional information is needed to make an accurate determination regarding income eligibility, the applicant will be notified via mail, and the application will be placed on hold pending receipt of the requested information;
- Once an applicant is notified that they meet the income requirements for the program, the applicant is required to register for and attend an 8 hour HUD approved Homebuyer Education class (\$50), and those intending to purchase a multifamily unit, an additional 3 hour Landlord class (\$25) as well as the 3 hour lead hazard awareness seminar (\$50);
- Upon completion of the Homebuyer and/or Landlord class the applicant must provide a copy of the Certificate of Completion to the Homeownership Coordinator;
- Once an approved applicant has identified a housing unit, an inspection of the property must be scheduled with the City of Providence. This inspection is in addition to a standard inspection a homebuyer may do prior to purchasing a home;
- Upon completion of the City of Providence inspection, the Homeownership Coordinator will notify the applicant if the unit passed or failed the City inspection, and if any additional actions were recommended by the City of Providence;

**Down Payment & Closing Cost Assistance application process continued:**

- The Housing Network of Rhode Island must have at least thirty (30) days' prior to the closing date to allow adequate time for processing Down Payment & Closing Cost Assistance loan documents and release of funds;
- Prior to closing, applicants must meet with the Homeownership Coordinator for a one on one session to review all of the closing documents, program restrictions and compliance requirements one final time;
- At the time of closing, recorded documents will include: a mortgage and a promissory note outlining the terms of repayment of the assistance, and a deed restriction.

**Assistance Details:**

- Assistance **up to a maximum of \$20,000** for applicants with household income at or below 70% of AMI;
- Assistance **up to maximum of \$10,000** for applicants with household income above 70% of AMI but below 80% of AMI;
- Assistance is given as no interest, forgivable loan if the property is held for the duration of the deed restricted period;
- If the property is sold or refinanced prior to the expiration of the deed restriction, the full amount of assistance is required to be repaid.

**Term of the Deed Restriction:**

The term of the deed restriction is based upon the amount of assistance provided.

Assistance provided	Term
\$15,000 or less	5 years
\$15,001 or more	10 years



## Down Payment & Closing Cost Assistance Application

**\*\* Please complete all sections. Mark sections that do not apply as N/A \*\***

### APPLICANT

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Social Security #: \_\_\_\_/\_\_\_\_/\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

**MARITAL STATUS:**  Married  Single  Separated

**SEX:**  Male  Female

### RACE OF APPLICANT:

American Indian/Alaska Native

White/Caucasian

Black/African American

Nat. Hawaiian or Other Pacf. Islander

Asian

Some other race

Two or more races

I do not wish to disclose this information

### CO-APPLICANT

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Social Security #: \_\_\_\_/\_\_\_\_/\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

**MARITAL STATUS:**  Married  Single  Separated

**SEX:**  Male  Female

### RACE OF CO-APPLICANT:

American Indian/Alaska Native

White/Caucasian

Black/African American

Nat. Hawaiian or Other Pacf. Islander

Asian

Some other race

Two or more races

I do not wish to disclose this information

**Do you identify yourself as Hispanic?**

Yes

No

**Do you identify yourself as Hispanic?**

Yes

No

**PLEASE LIST ALL PERSONS IN YOUR HOUSEHOLD:** *(if 18 years or older please provide income documentation listed on the last page of this application)*

Name	Relationship	Age
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**TOTAL HOUSEHOLD SIZE:** \_\_\_\_\_

**CURRENT EMPLOYMENT:**

Applicant

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

# of years \_\_\_\_\_ Phone # \_\_\_\_\_

Position: \_\_\_\_\_

Gross Monthly Income \$ \_\_\_\_\_

Co-Applicant

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

# of years \_\_\_\_\_ Phone # \_\_\_\_\_

Position: \_\_\_\_\_

Gross Monthly Income \$ \_\_\_\_\_

**ADDITIONAL MONTHLY INCOME:**

Applicant

Average overtime earning \$ \_\_\_\_\_

Part Time/Seasonal Employ \$ \_\_\_\_\_

Retirement/Pension income \$ \_\_\_\_\_

Social Security SSI \$ \_\_\_\_\_

Child Support/ Alimony \$ \_\_\_\_\_

FIP Benefits \$ \_\_\_\_\_

Other Income \$ \_\_\_\_\_

Explain Other: \_\_\_\_\_

Co-Applicant

Average overtime earning \$ \_\_\_\_\_

Part Time/Seasonal Employ \$ \_\_\_\_\_

Retirement/Pension income \$ \_\_\_\_\_

Social Security SSI \$ \_\_\_\_\_

Child Support/ Alimony \$ \_\_\_\_\_

FIP Benefits \$ \_\_\_\_\_

Other Income \$ \_\_\_\_\_

Explain Other: \_\_\_\_\_

**ASSET INCOME:**

Checking Acct (current balance) \$ \_\_\_\_\_

Savings Acct (current balance) \$ \_\_\_\_\_

401(k) \$ \_\_\_\_\_

IRAs \$ \_\_\_\_\_

CDs \$ \_\_\_\_\_

Other Assets \$ \_\_\_\_\_

Explain Other:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**HOUSEHOLD CERTIFICATION**

The definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. I/We certify that the statements contained in this application and certification are true and correct to the best of my/our knowledge and belief. I/We understand that if any statement contained in this application and certification is not true or correct, I/We may be subject to criminal prosecution or, as applicable, my/our loan application may be denied or the property acquired may be foreclosed upon.

I/We certify that I/We are a household of \_\_\_\_\_

\_\_\_\_\_

Applicant

Date

\_\_\_\_\_

Co-Applicant

Date

## Down Payment & Closing Cost Assistance Checklist

### Please provide copies of the following documents:

- \_\_\_\_\_ 1 (one) year personal TAX RETURNS with all schedules (2 years, if SELF-EMPLOYED);
- \_\_\_\_\_ Current Profit and Loss Business Statement and balance sheet (IF SELF-EMPLOYED);
- \_\_\_\_\_ 2 (two) month's most recent pay check stubs for all employed adults;
- \_\_\_\_\_ For students over age 18, documentation of full or part time status;
- \_\_\_\_\_ Documentation of other sources of income, (e.g., SSA/SSI benefit letters, child support, etc.);
- \_\_\_\_\_ 6 (six) month's most recent checking account statements for all adults;
- \_\_\_\_\_ 6 (six) month's most recent savings account statement all adults;
- \_\_\_\_\_ Retirement statements (e.g., 401(k), IRAs, etc.);
- \_\_\_\_\_ Documentation of other asset sources;
- \_\_\_\_\_ Proof of legal separation or divorce;
- \_\_\_\_\_ Mortgage Pre-qualification Letter; **OR**
- \_\_\_\_\_ Uniform Residential Loan Application (if Purchase & Sales is already executed);
- \_\_\_\_\_ Purchase and Sales (with application if already executed, or when one is executed);
- \_\_\_\_\_ Verification of Employment form for all employed adults (Sign and date ONLY);

## VERIFICATION OF EMPLOYMENT FORM

### TO BE COMPLETED BY EMPLOYER

Employee Name: \_\_\_\_\_ Date of hire: \_\_\_\_\_

Occupation: \_\_\_\_\_ Annual Salary: \_\_\_\_\_ Date of last increase: \_\_\_\_\_

Base pay rate: \$ \_\_\_\_\_/Hour; or \$ \_\_\_\_\_/Week; or \$ \_\_\_\_\_/Month Overtime pay rate: \$ \_\_\_\_\_/Hour

Average hours/week at base pay rate: \_\_\_\_\_ Hours No. weeks \_\_\_\_\_, or No. weeks \_\_\_\_\_ worked/Year

Expected average number of hours overtime worked per week during next 12 months \_\_\_\_\_

Any other compensation not included above (specify for commissions, bonuses, tips, etc.):

For: \_\_\_\_\_ \$ \_\_\_\_\_ per \_\_\_\_\_

Is pay received for vacation?  Yes \_\_\_\_\_  No \_\_\_\_\_

If Yes, no. of days per year \_\_\_\_\_

Total base pay earnings for past 12 mos. \$ \_\_\_\_\_

Total overtime earnings for past 12 mos. \$ \_\_\_\_\_

Probability and expected date of any pay increase: \_\_\_\_\_

Does the employee have access to a retirement account?  Yes \_\_\_\_\_  No \_\_\_\_\_

If Yes, what amount can they get access to: \$ \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

**Please return the form to: Housing Network of Rhode Island**

**1070 Main Street, Pawtucket, RI 02860 or email [mlodge@housingnetworkri.org](mailto:mlodge@housingnetworkri.org)**

RELEASE: I HEREBY AUTHORIZE THE RELEASE OF THE REQUESTED INFORMATION.

SIGNATURE OF APPLICANT \_\_\_\_\_

Date: \_\_\_\_\_

WARNING: TITLE 18, SECTION 1001 OF THE U.S. 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