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DIRECT HOMEOWNERSHIP ASSISTANCE PROGRAM HANDBOOK

Documents that must accompany your application:

- 1) Most recent four payroll stubs showing year to date earnings
- 2) 2013 W-2 forms
- 3) 2013 **signed Federal** tax return
- 4) Bank books or latest bank statements for checking and savings accounts for the last 2 months
- 5) Most recent statements of any revolving credit card debts. Any installment loan coupon books (i.e. automobile loans, personal loans, student loans, etc.)
- 6) Proof of any other income (including but not limited to Social Security, SSI, pensions, veterans benefits, education, compensation and disability payments)
- 7) Proof of all asset income (including but not limited to IRA's, 401K's, stocks, bonds, CD's, etc.)
- 8) A photo ID must be presented for all adults in the household at the time of the application.
- 9) Copies of birth certificates and/or social security cards for all children who reside in the home.
- 10) Signed TRW Credit Report Request Form
- 11) Application fee of \$40.00

Return completed application (which is included in this packet) with all necessary documents listed above. The fee is **non-refundable**.



A. HOMEOWNERSHIP PROGRAM SUMMARY:

Snow Belt Housing Company, Inc., as a sub-recipient of St. Lawrence County, is administering a federally funded grant program that provides down payment, closing costs and repair assistance to income eligible applicants to purchase existing single-family homes anywhere in Lewis County. Single and/or doublewide mobile homes are not eligible for purchase assistance. Priority will be given to large families, single parent households, and households with special needs.

There is a ten (10) year affordability/residency requirement if you obtain a home through this program. The grant is transferable to another income eligible applicant. This is enforced by a Note and Mortgage filed with the Lewis County clerk.

This handbook will explain the Program and how it should work. It will also help interested households decide if they are eligible for the Program and if it can work for them. This handbook is meant to be a guide to the Program, not a definitive presentation of the Program’s policies. Questions concerning the program should be directed to the Snow Belt Housing Company, Inc., 7500 S. State Street, Lowville, NY 13367 – Phone 376-2639.

To apply, fill out the application that is enclosed with this handbook. You must answer **ALL** questions. Return the application to the Snow Belt Housing Company, Inc. with the required documentation. We will call you for an interview.

B. HOW TO DETERMINE YOUR INCOME:

For purposes of determining income, we will use anticipated annual income for the current year. We will also need documentation from the last tax year as well to determine wage history.

By your submission of an application to Snow Belt Housing Company, Inc. (SBHCI) for a CDBG Program Grant/Loan and the signatures at the end of the Application, you are authorizing the SBHCI to verify any and all information contained within the Application.

The HUD Income Guidelines for people making 80% of the Median Income of Lewis County, adjusted for family size, are as follows:

1	2	3	4	5	6	7	8
\$31,750	\$36,250	\$40,800	\$45,300	\$48,950	\$52,550	\$56,200	\$59,800

Your gross income must not exceed these limits for the size of your household.

INCOME INCLUSIONS:

1. All wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
2. Net business or farm income. (Net business or farm losses and depreciation will not be deducted from other sources of income when calculating total household income.)
3. Interest, dividends, and any other net income of any kind from real or personal property.
4. All gross periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, alimony, child support, unemployment and worker’s compensation, disability or death benefits and other similar types of periodic receipts.

All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit.

INCOME EXCLUSIONS:

1. Income from employment of children (including foster children) under the age of 18.
2. Payments received from the care of foster children.
3. Lump-sum additions to family assets, e.g. inheritances, insurance policy death benefit payments, settlement for personal or property losses, and medical expense reimbursements.
4. Income of a live-in aide.
5. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran in meeting the costs of attending school.
6. The special pay to a household member serving in the Armed Forces who is exposed to hostile fire.
7. Temporary, nonrecurring, or sporadic income (including gifts).
8. Lump sum payments of SSI and Social Security benefits.
9. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
10. Any earned income tax credit.

You must also provide us with any statements of debts that you have such as credit cards or any loans or other mortgages. You will also have to provide these items to the bank that will finance the principle portion of your new home. All your debts should show up on the Credit Check done by the bank.

3. HOMEOWNERSHIP COUNSELING

Qualified applicants will be required to attend a Homebuyer Education Course as a contingent of receiving a grant. At the end of the course you will receive a certificate of completion that will allow you to access special programs offered by local area banks. This course is offered by Neighbors of Watertown usually on a Saturday. You will be required to attend this course before grant funds can be awarded.

D. CHOOSING A HOME

If you are found to be eligible for the Program, you will be given an award letter that states you are eligible for a Grant/Deferred Loan and the dollar amount of the Principal, Interest, Taxes and Insurance (PITI) that we feel you can manage.

You may visit a Real Estate Broker, or you may decide to ride around and look at the houses with FOR SALE signs on them and then check with the broker for an asking price. You may know a homeowner who wants to sell their home or you might hear of an eligible home for sale in some other way. You may also want to check the classified ads in the local papers. No home with a sales price over \$95,000 may be purchased through this Program. You must always remember that there is an ASKING PRICE and that there is a SELLING PRICE. We will always advise you to strive to make an offer on a home at the lowest price possible.

If you do find a home that you think you can afford and fits our Program, do not sign a purchase offer unless you get permission from Snow Belt Housing Company, Inc. or in the purchase offer it states “contingent on Snow Belt Housing Company, Inc. inspection.”

No home with electric heat will be allowed in this Program. This energy conservation measure will save you money with your heating bills. All homes must be vacant or owner-occupied.

When you find a home and report it to the Rehabilitation Specialist, he will arrange to do a HUD Housing Quality Standards inspection to determine what work must be done to bring the home up to HUD standards. The Rehab Specialist will do a work summary of all the failed items and an estimate of what the improvements will cost. This work will determine whether or not you have a feasible Project.

If your home is over 50 years old and/or has historic features, a picture of your proposed Project will be submitted to the NYS Historic Preservation Office for their review and comments. If they make any comments, we must address them.

E. ELIGIBLE IMPROVEMENTS:

When we talk about improvements to your proposed Project, we are talking about items that failed on the HUD Quality Standards Inspection Form. We are not talking about any of the following work. **REHABILITATION DOES NOT INCLUDE THE FOLLOWING:**

Landscaping	Fireplaces
Blacktopping driveways	Woodstoves
Washer or dryer	Slate roofs or cedar shake roofs
Air conditioner	Window walls
Gutters and downspouts	Room partitions
Skylights	Room additions
Luxury items (swimming pools, saunas, whirlpools)	Garages
	Moving house to new foundation(s)

F. BANK COMMITMENT

If you have a feasible Project, you will be directed to a participating bank that has agreed to participate in this Program and has special mortgage programs to help you finance your project. The bank may require you to pay up-front for the appraisal and the bank's credit check. If the Credit Check indicates that you may have a problem in obtaining a Mortgage Commitment, the bank may be able to help you through the problem. If you receive a Mortgage Commitment, the appraisal fee and credit check fee that you paid will be credited towards the closing costs. Closing costs are an eligible Project cost, depending on how much of a Mortgage Reduction and Improvements Grant are needed for your Project.

The Mortgage Commitment you receive from the bank will be for an amount that that the principal, interest, taxes and insurance can be paid for with 30% of your Gross Annual Salary. This is the amount that is allowed by almost all programs and financial institutions. This amount and all the rest of your debt payments may not exceed 38% of your Gross Annual Salary. If you have a high amount of debt payments per month, chances are that you will not qualify for this Program.

The amount of the grant will be determined by an analysis of your income, your debt payments and the purchase price of the home, plus any improvements. **Income eligibility is not the sole determining factor.**

The grant amount will be adjusted as needed so that an applicant will not be paying more than 38% of their total monthly gross income for all debts. The grant amount is, therefore, a flexible amount, but it will not exceed \$35,000. Please understand if the house you wish to purchase is affordable at your current income level, you may only be eligible for closing cost assistance.

Upon receiving a Mortgage Commitment, you will need to obtain two bid estimates from eligible contractors for the work described in the Rehab Specialist's Work Summary. A contractor is qualified to do the work when he can provide the SBHCI with a Certificate of Insurance showing that he has a minimum of \$600,000 in liability insurance and that he pays the statutory amounts for Worker's Compensation and Disability for any employees. The applicant must accept the lowest bid from the contractors. This work does not effect your Mortgage Commitment in any way, but must be reflected in the bank's appraisal. No cosmetic work may be included in the work summary.

Once a Bank Closing takes place and the applicant is the new homeowner, the applicant (new homeowner) will sign the contract and the improvement work can be started. The applicant may or may not be able to move into the home while the work is in process, but in almost every case the home will be able to be occupied shortly after the closing. Do not give your present landlord any notice to leave the home you are now living in until we know when the closing will take place, and how long the improvements will take, as well as knowing if you can occupy the new property while the improvements are taking place.

During the period that the improvements work is underway, the Rehab Specialist will inspect the work when it is approximately half way completed and again when it is finished. You must remember that the work for the improvements is between you and the contractor. During the work, if you find that something is not being done correctly, you should speak to the contractor. If the problem cannot be resolved, call the Rehabilitation Specialist to discuss the situation. When the work is completed to the satisfaction of the owner and the SBCHI, we will issue funds to you and the contractor.

G. AFFORDABILITY/RESIDENCY PERIOD

Under the regulations of this program there is a residency/affordability period, which states that the buyer must use the property as his/her principle place of residence. The affordability/residency period is ten (10) years from the date of project completion, to be based on a declining term. If the home is sold during the affordability/residency period, the seller will be responsible for the repayment of all CDBG PROGRAM FUNDS. If the Market Value, at the time of the sale, is less than the original Market Value, the recapture of the CDBG funds may be waived.

The only occurrence that will prematurely end the affordability period is a property foreclosure by the first mortgage holder.

When you submit an application to SBHCI for a Grant, you will be asked to sign a TRW Credit Check verification form. This TRW will be reviewed with you to appraise your credit history and to get an indication of your chances of obtaining a mortgage commitment.

If you have any questions, please feel free to call Snow Belt Housing Company, Inc. at 376-2639.

Executive Director – Cheryl L. Shenkle-O'Neill
