Homeport received a grant from the Franklin County Board of Commissioners using CDBG/HOME funds to provide down payment assistance to eligible Franklin County residents.* Homeport administers this Down Payment Assistance Program in order to assist low and low-moderate income households in financing the acquisition of a home. To be eligible, Applicants must meet program guidelines. The funds for this program are limited. As such, they will be available on a first-come, first served basis.

**Eligibility Standards**

**Geographic Location and Environmental Guidelines:**

a. The property must be located inside Franklin County, and outside the physical jurisdiction boundaries of the City of Columbus.

b. If the property is located in a flood zone, the buyer must obtain Flood insurance for the property.

c. If the property is located within Runway Clear Zones for civil airports, according the FAA regulation 14 CFR part 152 and/or the standards for Clear Zones for military airfields established by DOD Instruction 4165.57, 32 CFR part 256.” The buyer will be disclosed on the matter and a disclosure statement will need to be signed by the applicant/buyer.

**Eligible Property**

The property must serve as the principal residence for the borrower. The type of property can be an existing residential single-family home that is decent and safe or newly constructed residential property, which has received a Certificate of Occupancy. The home must be in compliance with local housing codes.

**Eligible Applicants**

The applicant(s) must be a first-time homebuyer or must not have owned a home in the past three years. The applicant(s) must earn at or below 80% of the current HUD income guidelines for Columbus Metropolitan Service Area Median Income adjusted for family size. Total household income is used when calculating gross income.

### 2019-2020: 80% Income Limits

The applicant(s) must not have liquid assets which exceed $3,000 (excluding 401K and pension funds)

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Income</th>
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</tr>
</thead>
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<tr>
<td>1</td>
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<td>$82,400</td>
</tr>
</tbody>
</table>

To determine applicant's household size, the program uses the information in the most recent tax return (transcripts).

For a married applicant claiming separation from spouse, the applicant must submit proof of legal separation through the Court or Divorce Decree or the spouse income will be considered to determine household income. No other document will be accepted.

Student loans will be considered, even if those are in deferment.
Financing Guidelines
Homeport will administer down payment and closing cost assistance to eligible homebuyers in the form of 0% interest rate, deferred loans.

The maximum loan amount is $8,000; 5% of the purchase price up to $6,000 for down payment assistance and up to $2,000 for closing costs. The interest rate on this loan is 0%. The homebuyer will not make any monthly or annual payments on this deferred loan, and will be cancelled in six years after the day of purchase, as loan as the borrower lives in the property for 6 years, after the purchase, as her/his primary residency.

The loan is forgiven after six years if the terms of the note and other agreements are fulfilled. If the homebuyer does not remain in the home for a period of six years, the loan amount is due and payable at resale or transfer of title. Loan Amounts cannot exceed the FHA loan limit for the Columbus Metropolitan Service Area.

At the time of application to Homeport for down payment assistance, the buyer must have $500 of their own funds available, exclusive of loans or credits, to contribute as equity. These funds may include amounts paid for the purpose of credit report fees, appraisals, inspections and/or down payment.

The applicant will execute a promissory note and mortgage to the Franklin County Board of Commissioners to evidence the loan. To assure long-term affordability, the promissory note stipulates that if the beneficiary does not remain in the home for six years, the loan will become due and payable. Subletting or renting, even on a temporary basis, is not permitted. The applicant must return to Homeport for an additional budgeting counseling session within 6 months after closing on the loan.

The interest rate on the first mortgage loan must be a fixed rate and may not exceed current market rates by more than 1% and the APR cannot exceed the interest rate in more than 1.5% before any charge(s) or fee(s) are paid by the borrower to reduce the original interest rate.

This down payment assistance loan cannot be combined with any other assistance or seller financing and is not assumable by a third party. The mortgage signed by the applicant will prohibit additional loans on the property.

Property Inspection/Appraisal
A complete copy of the appraisal and home inspection must be supplied with the application at the time of application is submitted. Homeport assumes no responsibility to borrower, Franklin County, or any other person with respect to Homeport’s review of an appraisal, inspection report, or inspection of the Property, and may not be relied upon by the borrower for any purposes whatever.

Additional Provisions
8 hours of Homebuyer Education must be provided by Homeport any other HUD certified housing counseling agency and a certificate of completion must be submitted to Homeport at time of application. No Fast Track to Quick Start certificates will be accepted.

* There are additional guidelines to be considered, including the financial terms of the first mortgage loan. Franklin County and Homeport do periodic reviews of the eligibility guidelines and can make necessary modifications to remain in compliance with Federal and State regulations.
Introduction
Homeport received a grant from the Franklin County Board of Commissioners using CDBG / HOME funds to provide down payment assistance to eligible Franklin County residents. The County periodically reviews these regulations and from time to time may make modifications, which Homeport may have to institute to remain in compliance with the grant regulations.

Homeport administers this Down Payment Assistance Program in order to assist low to moderate income households in financing the acquisition of a home. To be eligible, applicants must meet program guidelines. The funds for this program are limited, as such; it will be available on a first-come first served basis.

Franklin County’s Down Payment Assistance Program provides a 0% interest loan to assist lower income homebuyers in qualifying for home financing. A promissory note will be executed, and a second mortgage will be filed on the property as evidence of the down payment assistance.

Program Objective:
To offer lower income buyers, who would otherwise not qualify, an opportunity to buy their own home using a 0% interest rate 2nd mortgage loan offered by the Franklin County and on the name of Franklin County Board of Commissioners.

Source of Financing:
An allocation of funds has been received by Homeport from the Franklin County Board of Commissioners’ CDBG/HOME Funds.

Loan Amount & Terms: (NEW UPDATE)
The maximum loan amount is 5% of the purchase price up to $6,000 for down payment assistance and up to $2,000 for closing costs, for a total assistance of $8,000, as need it. The interest rate on this loan is 0%. The homebuyer will not make monthly or annual repayments. The loan is forgiven after six years if the terms of the note and other agreements are fulfilled. If the homebuyer does not remain in the home for a period of six consecutive years, the loan amount is due and payable at resale or transfer of title.

Income Limits:
Eligible applicants must earn at or below 80% of the area median income –AMI-, as determined for the Columbus MSA, adjusted for family size. The total household income, including income from salaries and/or wages Child support, SSI Retirement, Unemployment, Leave of Absence, other, is used when calculating gross income. Following is the Income Matrix for 2019-2020.

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<td>8</td>
<td>$82,400</td>
</tr>
</tbody>
</table>

Note: This Grant does not accept the grossing up of any type of income.
Eligible Use of Funds:
Down payment, Appraisal fees, Title binder & title policy, Property Inspection, EPA endorsement, Origination fee, Credit report fee, Survey, Closing fees, MIP.

Interest Rate, Principal and Interests (ORC 1321.592):
The down payment assistance is in the form of a Zero percent (0%) interest rate, deferred loan. The borrower does not have to make monthly or annual payments on this loan as long as borrower remains in the property for at least six (6) years as his/her primary residency. The loan will be forgiven after six years.

Property Taxes and Home-Owner Insurance (ORC 1321.592):
This is a second mortgage and as such, escrow for property taxes and mortgage insurance are not applicable.

Approval:
Upon approval of a loan for down payment assistance, the homebuyer shall have 30 days to close on the loan. The commitment shall automatically expire after 30 days.

Re-payment of Assistance:
The borrower must leave in the property purchased, has her/his primary residency for six (6) years from the day of the closing of the loan. This down payment assistance is repayable upon sale, cash out refinance or rental of property within the six (6) years of down payment assistance commitment.

Affordability Ratios Plus a Balanced Budget: (NEW UPDATE)
The program requires Affordability Ratios of 35% (Housing Ratio) and 47% (total debt), as long as the borrowers have a Residual Income. This Residual Income refers to income from over time, bonuses and or commissions that the borrower has been receiving for at least 13 months with the same employer, or 401K with balances showing at least 3 months of the borrower’s monthly expenses. Income from spouses or other household individual that is not in the loan is NOT consider a residual income. In addition, the applicant must show a consistent balanced monthly budget. To verify the balance budget, the applicant must submit all the utility bills, car insurance statement, childcare, cell phone, cable, internet and any other living expenses that the applicant carries as hers/his monthly expenses.

First Mortgage Interest Rate Limits:
The interest rate on the first mortgage must be a fixed rate loan and may not exceed the current market rate by more than 1%. The difference between the interest rate on the first mortgage and the APR cannot be higher than 1.5%.

Type of Loans (related to the first Loan):
HOEPA loans, Non-Conforming loan, Land contracts, cash purchase are not eligible for this program. Discount points are not allowed. The maximum thresholds for total fees must comply with the Qualify Mortgage rule established by the Consumer Financial Protection Bureau (CFPB). The lender must submit with the application package a closing costs worksheet identifying all closing costs involved in the transaction.

Borrower Investment into the purchase transaction:
The homebuyer must have a minimum contribution into the home purchase transaction of $500 towards any fees involved in the transaction, including the $32 for the recording of the 2nd mortgage generated by this down payment assistance loan.

Liquid Assets:
The homebuyer may not have more than $3,000 in liquid assets by the time of closing (Excluding 401K Funds).

Subordination:
This loan is to be subordinate to the first mortgage on the property being purchased.
**Geographic Location of the Property:**
Home must be located inside Franklin County but outside the Columbus School District area.

**Loan Amounts for the First Mortgage:**
Loan Amounts cannot exceed the FHA loan limit for the Columbus Metropolitan Service Area for the current year.

**Home Inspections and Environmental Restrictions:**
All properties must have a home inspection, performed by a 3rd party certified home inspector. Copy of the home inspection and Appraisal report must be submitted to Homeport as part of the application package. The report must include descriptions of the current conditions of all elements of the property: Structural, electrical, plumbing, furnace, A/C, hot water tank, wall sockets, etc.

Homeport verifies if the property is located in a flood zone and will request proof of flood insurance if applies. If the property is located within 15,000 feet from and airport, the buyer will need to sign a disclosure recognizing the risks and noise factors involved.

**First Time Home-buyer Program:**
Homebuyer must be a first-time homebuyer or not have owned a home in the past 3 years.

**Home Buyer Education:**
As part of the application process all homebuyers must have completed an eight (8) hours Homebuyer Education course and have obtain a Homebuyer Education Certificate that is not more than 12 months old. The course must be provided by a HUD approved certified housing counseling agency. The certificate of completion must be supplied at time of application. Fast Track, Quick Start certificates and/or certificates issues more than 12 month before the application will not be accepted.

**Type of Residency:**
Property must be the principal residence of the down payment assistance recipient.

To receive down payment assistance funds, the homebuyer must be referred to Homeport by a lender, whom has already approved the borrower for a mortgage. The lender is responsible to submit to Homeport all the required documentation listed in the submission check list. Once the application package has been submitted, the loan officer must advise the applicant to contact Homeport to schedule her/his first appointment for budget review with a housing counselor.

**Note:** The appointment will be scheduled only when all the required information has been submitted.

**Time required for Eligibility determination:**
Homeport will have an eligibility determination no later than 20 business days from the day Homeport receives a completed application package. If you have any questions, please call 614-545-4894.

Lenders are to email Isabel Giles at isabel.giles@homeportohio.org to request a package to submit an application or go to http://www.homeportlearning.org/.

<table>
<thead>
<tr>
<th>Borrower Name</th>
<th>Date</th>
<th>Borrower Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower Signature</td>
<td></td>
<td>Borrower Signature</td>
<td></td>
</tr>
</tbody>
</table>
To be considered for participation in this program, applicants must fill out this application completely.

Borrower Information

Last Name: _____________________________  First Name: __________________________
Social Security Number: __________________ Date of Birth: ________________________
Address: _______________________________  City: __________________ Zip: ________
Home Phone: ___________________________  Work Phone: _________________________
Race: (voluntary) ________________________  Marital Status: ______________________
Household size: _________________________  Single Head of Household: ___________
Level of Education: Master __ / College __ / Highschool __ / Technical School __ / Vocational __

Co-Borrower Information

Last Name: _____________________________  First Name: __________________________
Social Security Number: __________________ Date of Birth: ________________________
Address: _______________________________  City: __________________ Zip: ________
Home Phone: ___________________________  Work Phone: _________________________
Race: (voluntary) ________________________  Marital Status: ______________________
Household size: _________________________  Single Head of Household: ___________
Level of Education: Master __ / College __ / High school __ / Technical School __ / Vocational __
Property Information

Property Address: _____________________________________________________________

City: _____________________________ State: ______ Zip Code: ________________

School District: _______________________________________________________________

- New Construction
- Existing Home
- Single Family Home
- Condominium

(Check all that apply)

Lender Information

Lending Institution: _____________________________________________________________

Contact Person: _______________________________________________________________

Phone Number: ___________________________ Fax Number: ___________________________

Please list current employment for all persons in your household that are employed. If you work more than one job, list them all.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Beginning Date</th>
<th>Who’s Job?</th>
<th>#of Hours per Week</th>
<th>Gross Income (Before Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>
List all household members beside yourself. Be sure to list EVERYONE who lives with you (including children or other dependents), even if they do not receive any income.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Relationship to You</th>
<th>Gross Income from Work (Before Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$ per</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
</tbody>
</table>

Do you, or ANYONE in your household, receive any of the following? Check a box for each.

<table>
<thead>
<tr>
<th>Type</th>
<th>Yes</th>
<th>No</th>
<th>Who Receives It?</th>
<th>How Much?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Support</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Social Security</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Unemployment</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Worker’s Comp</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Veteran’s Benefits</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Disability</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Alimony</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
<tr>
<td>Type</td>
<td>Yes</td>
<td>No</td>
<td>Who Receives It?</td>
<td>How Much?</td>
</tr>
<tr>
<td>-------</td>
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<td>----</td>
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<tr>
<td>TANF</td>
<td></td>
<td></td>
<td></td>
<td>$ per</td>
</tr>
</tbody>
</table>

**Please list the average monthly expenses of your household (average expense):**

<table>
<thead>
<tr>
<th>Rent:</th>
<th>Car payment:</th>
<th>Medical Bills:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electric Bill:</th>
<th>Car Insurance:</th>
<th>Credit Cards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gas Bill:</th>
<th>Child Support Payments:</th>
<th>Day Care:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water/Sewer Bill:</th>
<th>Alimony Payments:</th>
<th>Cable Bill:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Home phone Bill:</th>
<th>Student Loans:</th>
<th>Internet Bill:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cell phone bill:</th>
<th>Child Support payments:</th>
<th>Eating out:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cable Bill:</th>
<th>Other Insurances:</th>
<th>Groceries:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Total funds available for closing and reserves:**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Account Number</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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**Signature of Applicant:** ________________________________  **Date:** __________

**Signature of Co-Applicant:** ________________________________  **Date:** __________
Introduction
Homeport received a grant from the Franklin County Board of Commissioners using CDBG / HOME funds to provide down payment assistance to eligible Franklin County residents. The County periodically reviews these regulations and from time to time may make modifications, which Homeport may have to institute to remain in compliance with the grant regulations.

Homeport administers this Down Payment Assistance Program in order to assist low to moderate income households in financing the acquisition of a home. To be eligible, applicants must meet program guidelines. The funds for this program are limited, as such; it will be available on a first-come first-served basis.

Franklin County’s Down Payment Assistance Program provides a 0% interest loan to assist lower income homebuyers in qualifying for home financing. A promissory note will be executed, and a second mortgage will be filed on the property as evidence of the down payment assistance.

Program Objective
To offer lower income buyers, who would otherwise not qualify, an opportunity to buy their own home using a 0% interest rate 2nd mortgage loan offered by the Franklin County and in the name of Franklin County Board of Commissioners.

Source of Financing
An allocation of funds has been received by Homeport from the Franklin County Board of Commissioners’ CDBG Fund.

Loan Amount Terms (NEW UPDATE)
- The maximum loan amount is 5% up to $6,000 for down payment assistance and up to $2,000 for closing costs assistance.
- The interest rate on this 2nd loan is 0%.
- The homebuyer will not make monthly or annual repayments.
- The loan is forgiven after six years if the terms of the note and other agreements are fulfilled. If the homebuyer does not remain in the home for a period of six consecutive years, the loan amount is due and payable at resale or transfer of title.

Income Limits
Eligible applicants must earn at or below 80% of the area median income (AMI), as determined for the Columbus MSA, adjusted for family size. The total household income, including income received as refunds from previous year’s taxes will be added to the household income as the IRS requires this income to be included as such in the tax return of the year that has been received. The program also considers as part of the household income the following: child support, SSI, retirement, unemployment, leave of absence, other. All or those that apply are used when calculating gross income eligibility. Following is the Income Matrix for 2019-2020:
2019-2020 80% Income Limits

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**Eligible Use of Funds:**
Down Payment, Origination Fees, Appraisal Costs, Credit Report fees, Title policy survey, Property inspection, closing fees, MIP not financed that must be prepaid, EPA endorsement.

**ELIGIBILITY STANDARDS**

**Geographic Location**
Home must be located inside Franklin County and outside the Columbus School district, which is the City of Columbus (the tax district is identified by the first three digits of the property parcel number (010), which can be found at [http://property.franklincountyauditor.com](http://property.franklincountyauditor.com)

**Property**
**Only owner-occupied single-family homes are eligible for Franklin County down payment assistance loans.** The property must serve as the applicant’s principal residence. A home inspection with all utilities turned on must be performed by a 3rd. party professional home inspector and a copy of the complete report must be submitted to Homeport. For new constructions, a Certificate of Occupancy (CO) must be submitted with the submission package before the assistance can be considered. The home must meet local housing codes – Decent, Safe and Sanitary Conditions. Loan amounts cannot exceed the 2014-2015 FHA loan limits for the Columbus Metropolitan Service Area.

**Applicants**
**The applicant(s) must be a first-time homebuyer or not have owned a home in the past three years.**

The applicant must have a monthly balanced budget to be able to qualify for the assistance. To verify a balanced monthly budget, applicants will have to schedule an appointment with a housing counselor at Homeport, for a credit and budget counseling session. Applicants need to bring to the appointment the following documentation:

- most recent paystubs, most recent bank account (all bank accounts), most recent bills from gas, electric, water, sewer, cell phone, cable, internet, car and rental insurance. If Child Care is being paid, applicant needs to bring a statement showing the monthly day care fees, the status of the account. If applicant pays child support, alimony, applicant needs to submit the court order.

The applicant(s) must have a gross household income at or below 80% of the Columbus MSA median income adjusted for family size.

For the calculation of household gross income, the program includes, salaries and or wages of all the people living in the household (even if that person is not an applicant on the loan). The income includes part time income, bonuses, received commissions, tax refunds received during the year of application, child support, alimony, SSI, social security, retirement, unemployment, leave of absence.

The program uses the number of dependents included in the most recent applicant’s tax return and transcripts from the most recent previous year tax return filed. In case of a newborn child not yet included in the tax return form from the most recent previous year, a birth certificate must be submitted with the application.

For married couple claiming separation, the applicant must submit proof of legal separation through the court or divorce decree or the income and financial information from the spouse will have to be submitted and used to calculate household income. All household members, related or not, must be counted when determining the
total household size and income.

Homebuyers are required to contribute a minimum amount of $500 from their own assets/funds towards the transaction. The $32 recording fee for the 2nd Mortgage generated for this assistance must be included as part of these $500.00 contribution amount. This is inclusive of funds spent on credit report fees, inspections and/or down payment.

- Applicant cannot combine this down payment with any other down payment programs or with seller financing.
- Applicants can’t have more than $3,000 in liquid assets by the time of closing the transaction. Funds the applicant have in 401K are not included at all.
- The applicant(s) must have completed 8 hours of Home Buyer Education program at Homeport or another HUD approved agency (no Fast Track or Quick Start certificates will be accepted).

**Financing**

- The interest rate on the first mortgage loan must be a fixed rate and may not exceed current market rates by more than 1% due to credit issues.
- The difference between the interest rate and the APR for the first mortgage must be no higher than 1.00%.
- Non-conforming loan programs are ineligible.

**For FHA 203K streamline loan,**

*Repairs cannot exceed $20,000. The application must include a list and description of every repair that will take place, the schedule for the repair(s) showing when those repairs will be finished and the contractor’s invoice with the individual cost of each repair.*

**Homeowners association fees will be considered when determining affordability ratios.**

**Student Loans:** If the student loans are not in deferment for at least one year, the 1% of the loan amount or the monthly payment showing in the student credit report will be used to determine debt to income ratio

**High Price or High Cost mortgage loans are ineligible.**

**Eligible Use of Funds:**

Down Payment, Origination Fees, Appraisal Costs, Credit Report fees, Title policy survey, Property inspection, closing fees, MIP not financed that must be prepaid, EPA endorsement.

- **Cash back to borrower is not allowed.**
- **Any unused portion of the proceeds must be returned to Homeport.**

**Acceptable Sources of Income:**

- **Salary or Wages**
  
The income must have been received regularly and on time during the past 24 months and must be expected to continue for at least the next 5 years. It has been determined that when including an income that might end before 5 years may compromise the long-term affordability.

  Income received as refund(s) from previous year’s tax returns will be added to the household income as the IRS requires this income to be included as such in the tax return of the year that has been received.

- **Bonuses, commissions and overtime income**
  
To consider this source of income in the affordability ratios, it must have been consistently received for the past 2 years and a the applicant needs to submit with the application a letter from her/his employer stating that is highly likely the employee will continue receiving that type of income in the long-Term future. This income will not be prorated for the year; the program will make an average of the bonuses, commissions and/or overtime received by the employee during the current year of the home purchase.
This source of income will be calculated in the same form when determining the household income.

- **Second Job Income:**
  An income from a second job will be considered to determine the affordability ratios, only if the applicant has been working in that job for no less than 2 years. Nevertheless, this source of income will be considered in determining the household income for the current year.

**LOAN AMOUNT & TERMS**

**Maximum Assistance Amount**

There is no minimum loan amount restriction for the main loan. However, the eligible homebuyer(s) can receive 5% of the purchase price up to $6,000 for down payment assistance and up to $2,000 for closing costs. Lenders must disclose the closing cost in detail and how the closing costs provided by the seller and the assistance will be applied in the transaction.

**Liquid Assets**

Franklin County down payment assistance recipients cannot have more than $3,000 in liquid assets by the time of closing the loan. Funds from 401K are excluded for this rule if those have not been made liquid.

**Income in liquid funds received from tax returns, inheritance, lawsuits and / or any awards are considered liquid assets for the program**

**Secondary Financing Terms**

The Franklin County down payment assistance loan becomes due and payable upon sale or transfer of title of the property, or if the property is not used as the borrower’s principal residence during the first six years after assistance is granted. Franklin County down payment loan recipients do not make monthly or annual payments on the outstanding loan. The Franklin County down payment loan proceeds are only recaptured if the house is foreclosed upon or in the events described above, which are also described in the Promissory Note signed by the granted applicant. The Franklin County down payment loan becomes immediately due in the event of fraud in securing the loan.

**Interest Rate**

The interest rate of this Down Payment assistance loan is 0%.

**Lien Position**

The Franklin County down payment loan will be secured by a Promissory Note and a recorded 2nd mortgage on the property being financed, signed by the borrower. The Promissory Note and Mortgage will be provided by Homeport.

**Assumptions**

No assumption of this loan by any other person is allowed in the Franklin County Down Payment Assistance Program. The homebuyer will be required to sign a disclosure statement at application acknowledging such. **If the first mortgage is assumed, the total outstanding balance of the Franklin County down payment loan is immediately due and payable.**

**Affordability Ratios Plus a Balanced Budget**: (NEW UPDATE)

The program requires Affordability Ratios of 35% (Housing Ratio) and 47% (total debt), as long as the borrowers have a Residual Income. This Residual Income refers to income from over time, bonuses and or commissions that the borrower has been receiving for at least 13 months with the same employer, or 401K with balances showing at least 3 months of the borrower’s monthly expenses. Income from spouses or other household individual that is not in the loan is NOT consider a residual income. In addition, the applicant must show a consistent balanced monthly budget. **To verify a balance budget, the applicant must submit all the utility bills, car insurance statement, child care, cell phone, cable, internet and any other living expenses that the applicant carries as hers/his monthly expenses.**
Loan(s) to Value Versus Cost of Acquisition

- The total amount of all liens, First and Second, may not exceed the estimated costs of acquire the property. The following is an example of how to calculate and determine compliance for this guideline:
- A borrower is purchasing a property with a FHA loan. The sale price of the property is $105,000. The loan amount is $100,000.
- The borrower is applying for the Franklin County assistance. This borrower could receive 5% of the sale price as the assistance for down payment, plus up to $2,000 in closing costs, if need it.
- For this example, the borrower would receive $5,250.00, for down payment, and up to $2,000 for the closing costs, as need it. The total amount of the second lien will be $7,250.
- To calculate the cost of acquisition of the property, the program adds the following items: Sale price + Pre-paid items+ closing costs (except for any points to buydown the interest rate of the first loan, as per those are not allowed for this program).
- On this example, let’s say that the dollar amount of prepaid items is $1,500 and the amount of closing costs is $2,500.

Compliance verification:
Total amount of Liens in the property: $100,000 (1st) + $7250 (2nd) = $107,250.00
Cost of acquisition: $103,500 (sale price) + $1,500 (pre-paid) + $2,500 (closing costs) = $107,500

Total Amount of Liens is Less than Cost of Acquisition → acceptable

Important Note:
When the amount of 1st and 2nd liens are higher than the cost of acquisition, the amount of assistance will be decrease until the total amount of liens equal the cost of acquisition.

LENDER LOAN PROCESSING

Loan Application
Once the applicant has been approved by the lending institution, the lender will send the application package to Homeport. The application package must include all the documentation listed in the submission check list. In order to facilitate the process, please organize the documentation in the same order that is listed in the submission check list. The Loan Estimate Form – LE - must be signed by the MLO and borrower(s).

A form listing all the closing costs involved in the transaction and those paid with the assistance must be included in the application package submitted to Homeport.

Verification of a Balanced Monthly Budget: (NEW UPDATE)
Lenders that have pre-approved borrowers wanting to apply for the Franklin County downpayment assistance need to instruct to the prospect to contact Isabel Giles at isabel.giles@homeportohio.org, to schedule their first budget appointment for monthly budget balance determination. Lenders need to instruct their borrowers to bring to the budget appointment all the required documentation describe bellow:
- Most recent 3 months’ pay stubs.
- Most recent Utility bills: gas, electric, water/sewer
- Most recent statement showing payments for: car insurance child case, if any, cell phone, cable, internet.
- Most recent 2 months of bank accounts statements (all)

If budget does not balance during applicant’s first visit, the applicant will need to make the work toward making the necessary adjustments on his/her expenditures and come back the next month with new statements for a second verification.
The applicant needs to show a balance budget plus compliance will all the others program guidelines to receive eligibility for the funds.

Applicants that show deficient in their monthly budget will need to work on balancing their monthly expenses before Homeport can approve the funds.
Homeport reserves its right to request additional information to the lender and or borrower to clarify or confirm any unclear situation.

Eligibility Verification
The lender must obtain verifications of all the documentation submitted to Homeport in the application package, as this documentation is used to establish the borrower’s eligibility for County Down Payment Assistance.

Submission Package
The lender shall provide to Homeport fully executed copies of all documents listed on the Submission Checklist. Homeport will seek to review and approve the complete application package within 15 business days of receipt a complete package.

Underwriting
Using the criteria established by the Franklin County Down Payment Assistance Program, the lender will calculate the expected necessary assistance for down payment and closing costs and will make a recommendation to Homeport about the amount of assistance to provide. The lender must use the Loan Funding Request Form provided by Homeport to indicate the amount of loan assistance required by the borrower.

Commitment Letter
Homeport’s underwriter reviews the Franklin County down payment assistance application package. If the applicant is approved for the assistance, the Underwriter notifies the borrower and lender in writing of such approval by sending a Commitment Letter. Only written approvals may be relied upon. The down payment assistance loan must be closed within 30 days of receiving the Commitment Letter of loan approval. The Commitment Letter shall state the amount of down payment and the amount approved for closing costs.

Loan Closing
Homeport needs to receive the Loan Closing Disclosure (CD) THREE (3) days before the closing. After receiving, reviewing and approving the CD, Homeport process the wire of funds, contact the applicant and schedule an appointment to provide the final disclosures and do a final budget review. Homeport sends to the Title agency the second Mortgage and Promissory Note for its execution during the closing transaction.

The Title agency process the recording of the second mortgage at the Franklin County Recorder’s office and returns to Homeport the executed mortgage document no later than 10 business days after the closing date.

The title agency must email to Isabel Giles, within 24 hours of closing, a copy of the following executed documents: First and second mortgage, executed first Promissory Note, Closing Disclosure -CD- with addendums and annexes if any.

Contact Isabel Giles: isabel.giles@homeportohio.org

Homeport reserves the right to cancel all future and current Franklin County Down Payment Assistance funding in process with any lender and title agency that does not comply with the 10 days rule for submitting the required documents in time.

The lender must notify Homeport if the closing will not occur on the scheduled date. If the closing does not occur within a 30-day period after receiving the Commitment letter approval for the funds, the lender has to submit a new application package with all new information.
Franklin County Downpayment Assistance
Submission Checklist

Borrower: ____________________________________________

Lender: _____________________________________________

Lender's Phone #: __________________________ Fax #: _____________________

Please submit all of the following in one package. The loan will not be underwritten until the application package is complete. The borrower must meet with a Homeport Housing Counselor to complete additional forms. The borrower must complete Homebuyer Education with Homeport or another HUD certified counseling agency prior to application (Fast Track or Quick Start certificates will not be accepted). Please allow 20 business days from receipt of a complete package for funding approval.

☐ Loan Funding Request. Most, specify amounts for down payment and closing costs separately, according to the program guidelines.

☐ Lenders Approval Letter including Uniform Underwriting and Transmittal Summary.

☐ Worksheet Summary of fees charged to the transaction.

☐ Loan Estimate – LE –

☐ Initial Closing Disclosure.

☐ URLA – 1003- Application, signed by all parties

☐ Verification Of Employment (VOE)

☐ Affidavit of Income signed by a Notary public. The borrower must include the income earned by all people that are living in the household, including but not limited to: Salary, wages, child support, alimony, Leave of Absence, monthly SSI, monthly SS-Disability, pensions, unemployment, other type of income

☐ 3 months of most recent pay-stubs from the borrower(s)

☐ 3 months of most recent bank statements from all checking and savings accounts from the borrower(s).

☐ The 3 most recent years of Federal Tax returns with their respective W2 from all borrowers.

☐ The most recent 3 years of the IRS Tax transcripts from borrower(s), including the W2 for all years

☐ Homebuyer Education Certificate from a HUD Certified Agency

☐ If the loan is FHA with a 203K, the limit amount of the 203K is up to $20,000. The application must include the list and description of every repair that will take place, including the schedule for the
repair(s) showing when those repairs will be finished and the contractor’s invoice with the individual cost of each repair.

☐ No later than 48 hours prior to the date of closing, the lender will need to provide the final Closing disclosure, final 1003 with all addendums signed by the borrower.

☐ Hazard/ Home-Owner Insurance binder reflecting minimum dwelling coverage of base loan amount

☐ If applicant is separated or divorce: Application package must include the legal separation from court or divorce decree.

☐ If applicant has Student loans, to determine Debt to Income Ratio, the program uses 1% of the total amount of the student loan or if the applicant is already in a payment plan, the program uses the amount shown in the credit report, as long is not Zero ($0.00). In that case the program uses the higher amount.

☐ For all self-employed persons, the application must include the most recent 3 years of tax returns with all schedules including profit & Losses schedules for the most recent 3 years, the 1099 and IRS Transcripts.

☐ Signed Purchase Contract with all modifications attached

☐ Copy of the Appraisal with all pages. If the property was built before 1978, the appraiser should include a note in the report that the house complies with HUD regulations regarding Lead based paint.

☐ Copy of the home inspection report. Inspection must be performed by a 3rd party reputable professional inspector. The inspection report must indicate if all services were turn on at the time of the inspection. The home inspection must include detailed pictures and a detailed description of all the elements of the building from the exterior and interior. Particularly, of those elements in the house that need to be repair.

Any hazard conditions identified in the property by the home inspector must be repaired, as determined necessary, to comply with the Code of Decent, Safe and Sanitary conditions from the City of Columbus. Repairs needs to be successfully completed and an additional inspection, performed by the same home inspector needs to be done to determine that all issues have been successfully made. New pictures of the items repaired must be included and an annex describing the new conditions of the items repaired needs to be prepared by the inspector.

All Home Inspections must be performed with all utilities turned on or not will be accepted.

☐ If house was built before 1978 a Lead-Based Paint disclosure must be included in the appraisal.

☐ Occupancy certification for new constructions.

☐ Original signed Sellers Uniform Relocation Act Disclosure Form, if applies.

☐ Copy of credit report and Credit Score Disclosure

Final Closing Disclosure (CD) needs to be submitted to Homeport 3 day before closing the loan.
Franklin County Down Payment Assistance Program
Loan Funding Request

Borrower’s Name(s)______________________________ Ph.#: ______________

Borrower’s Email address: _______________________________________________

Property Address _______________________________________________________

City, State, Zip _________________________________________________________

Title Agency Name and Ph. #: _____________________________________________

Title Company Address: _________________________________________________

Closing Title Agent Name, Ph. # and email address: ____________________________

Requested Amount:

Amount for Down Payment: $ ___________________

Amount for Closing Costs: $ ___________________

Funds will be wire. Please submit Title Company Wiring Instructions

Lender Contact ___________________________________________________________

Phone: ______________ Fax____________ Email: ____________________________

Please allow 20 business days from receipt of a completed packet for funding approval.

Homeport, 3443 Agler Rd., Columbus, Ohio 43219
Phone: (614) 221-8889 – Fax: (614) 221-8591
Franklin County Downpayment Assistance
Closing Instructions

1 Homeport reviews the Final Closing Statement. If approved by underwriter. Homeport will contact the borrower/applicant to schedule a face to face final credit and budget counseling session. Applicant will receive all required disclosures and documentation according with the ORC. Counselor will review the applicant budget during this meeting.

2 The timing of the appointment with the applicant, after receiving the Final Disclosure, is No earlier than 3 days and no later than 24 hrs. before the closing.

3 The Second Mortgage document and the Promissory Note for this assistance will be send to the title agency for its execution at the time of closing.

4 Once these documents are executed, the Title Agency and the lender, are both responsible to ensure that the executed Promissory Note is mail to Homeport at 3443 Agler Rd., Columbus, OH 43219, no later than 5 business days from the closing date.

5 Email to Isabel.giles@homeportohio.org within 48 hrs. after the Closing transaction the following executed documentation: Copies of 1st and 2nd mortgage, copies of 1st and 2nd Promissory Note, final 1003 and Final Closing Disclosure with all addendums.

6 The Title Agency is responsible for the recording of the 2nd Mortgage at the Franklin County Recorder’s office. To pay for the recording fee, the lender/Title agency needs to collect that fee (2 pages plus exhibit) as part of the $500 that the borrower needs to provide as investment in the transaction as per the program guidelines.

Important Notes:
Title agency does not need to create a HUD or CD for Homeport. This program is exempt from that compliance. Homeport administer these funds for Franklin County, under a contract. This program complies with the exemptions established by CFPB:

a) Funds for the program come from a Federal grant CDBG
b) Franklin County, a governmental entity, assign part of that grant to the Franklin County Down-payment Assistance Program.
c) The 2nd is on the name of that governmental entity: Franklin County, Board of Commissioners
d) There is no interest rate on this loan.
e) Borrowers don’t have to make any monthly, or annual payments on this soft loan and as loan they comply
f) With living in the property as their primary residence for 6 years from the date of closing, this 2nd mortgage will be canceled in 6 years.
g) The borrower does not pay any fees to Franklin County or Homeport on the purchase transaction.
Franklin County Down Payment Assistance cannot be combined with any other down payment assistance funds. The borrower/applicant cannot receive cash back at closing.

Borrower must invest a minimum of $500.00 into the transaction. The payment for Home Inspection, credit report and appraisal is included as part of the investment.

Borrower may not receive cash back at closing.

The total amount of all Liens must be less to the cost of acquires the property.

Seller must sign the Uniform Relocation Form –URA-. Lender must submit the signed URA to Homeport before closing.

Homeport wires the Assistance approved funds to the Title Agency.

If any change(s) occur after submitting to Homeport the Closing Disclosures, including change in the closing date, the lender and title agency are both responsible for communicating these changes to Isabel Giles immediately at Isabel.giles@homeportohio.org

This commitment letter expires 30 days from the date of this letter. The loan must be closed by that date or the Title Company holding the funds shall return the funds to Homeport.

Isabel Giles
Program Manager
Franklin County Down Payment Assistance Program
Affidavit of Income

I / We, ________________________________, certify, under penalty of perjury, that I / We do not receive any other form of income other than the one already submitted with our application for the Franklin County Down Payment Assistance, and have no indication that any other income as SSI, child support, alimony, disability, pension, investment gains, unemployment or any other income is received by any of my household member or will become available within the next 12 months for any of the persons in our household.

_________________________________________  ______________________________
Applicant Signature                  Date                  Co-Applicant Signature                  Date

Sworn to before me and subscribed in my presence this ______________________________

_________________________________________
Notary Public Name, State of Ohio

My Commission expires on ______________________________

Homeport, 3443 Agler Road, Columbus, Ohio 43219
Phone: (614) 221-8889 – Fax: (614) 221-8591