

**FIRST TIME HOMEBUYER'S PROGRAM
OPERATING PROCEDURES**

**Division of Housing Services
Room 218A, City Hall
(856) 757-7344**

HOME FUNDED

The First Time Homebuyer's Program was developed as a vehicle to assist eligible applicants with the necessary financial assistance to purchase affordable single-family residential properties in the City of Camden.

(Affordable housing for the purpose of this program is defined as housing with an initial purchase price that does not exceed 95% of the median purchase price for single-family housing in Camden County areas and has an estimated appraised value at acquisition that does not exceed the above limit.)

Applicants can apply for a "one-time" deferred loan up to **\$15,000** to assist eligible families with payment of Closing Costs & Down Payment/Principle Reduction. NOTE: In accordance with Federal Regulations established by the U.S. Dept. of Housing & Urban Development (HUD), a financial analysis and subsequent underwriting of all applications will determine the final subsidy amount.

1. A maximum amount of \$5,000 to be applied toward Closing Costs
2. All remaining funds must be applied toward Down Payment/Principal Reduction of the final mortgage amount

All applicants will be processed on a first come, first serve basis.

ELIGIBILITY CRITERIA

1.
 - Applicant must be a first time homebuyer or not have owned a home during the 3-year period immediately prior to applying for this assistance or
 - A single parent who has only owned with a former spouse while married or
 - An individual who is a displaced homemaker and has only owned with a spouse or
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations or
 - An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
2. Applicant must occupy the property being purchased as their principal residence.
3. Annual income of all household members cannot exceed 80% of the median income as described herein:
4. Property to be purchased must meet City Code Standards. No HUD-owned properties or homes sold in as-is condition will be considered.
5. Applicant(s) must attend and complete pre-purchase counseling with designated non-profit housing agency and obtain certification of satisfactory completion of training sessions prior to settlement.

6. Agreement of Sale must show evidence of applicant depositing a minimum of \$500 toward property down payment.

<u>Household Size</u>	<u>Maximum Income</u>	<u>Household Size</u>	<u>Maximum Income</u>
1	\$48,950	5	\$75,500
2	\$55,950	6	\$81,100
3	\$62,950	7	\$86,700
4	\$69,900	8	\$92,300

PROGRAM INTAKE

All applicants must schedule an appointment with the designated staff of Camden City's Division of Housing Services, Room 218A, City Hall.

The following documents must be submitted at time of application:

1. Proof of income (**last 2 months**) for all household members from all applicable sources: employment, social security, pension, welfare, alimony/child support, unemployment/disability NOTE: Verification of income (e.g. pay stubs, award letters etc.) must be documented in file
2. Last two (2) years of W-2's and 1040 Tax Returns. Any applicant with dependents over 18 who claim no income must submit a notarized statement and copy of transcript and photo I.D., if in school or proof of Non Filing if unemployed
3. Executed Agreement of Sale
4. Last quarterly statement for all retirement accounts
5. Last 3 months of bank statements for checking and savings accounts (all pages)
6. Copy of private lender's mortgage application & Loan Estimate
7. Identity and address of private Lender must be disclosed during intake to facilitate communication between agencies on the status of client application.
8. Birth certificates for all household members under the age of 18

NOTE: Federal Guidelines now require the City to take an active role with assessing the capacity of all applicants to sustain the financial obligations associated with home ownership. Although not intended to substitute for the formal underwriting performed by the financial institution, the outcome of the City's review may impact on the applicant's eligibility for assistance under this Program.

PRIVATE SALES

1. Condition of Property – The current owners (seller's) of the subject property must schedule an inspection with the City's Building Bureau to qualify property for a "Certificate of Continued Occupancy".

THE COST ASSOCIATED WITH THIS ACTIVITY IS \$264 & THE SELLER WILL BE NOTIFIED OF THE PROCESS FOR SCHEDULING THIS INSPECTION & PAYMENT OF THIS FEE.

Upon completion of this inspection, a copy would be transmitted to the Seller(s) who are responsible for completing the work described therein prior to settlement.

***EFFECTIVE 3/1/2015** In accordance with Federal regulations, all private sales will require the subject property be inspected by a private company of the SELLER'S choice. The results of this inspection and subsequent report will identify the repairs necessary to satisfy Housing Quality Standards that must be completed by the SELLER prior to the City issuing its commitment of funding under the FTHP. It is understood the costs of the inspection will be paid by the SELLER at the time services are rendered and the SELLER is responsible for providing a copy of the report to the City immediately upon its receipt.

This inspection is not intended as a substitute for the inspection performed by the City as described herein.

Note: No waivers will be permitted on this work regardless of the circumstances or acceptance by the Buyer (applicant) of a specific condition noted in the inspection report.

It is understood that the City's assistance to the applicant (Buyer) is contingent on the Seller (s) acceptance of these terms.

In addition to the aforementioned inspection & repairs, all Sellers must submit the following certifications:

- a. Roof – The existing roof(s) (main, porch, etc.) must be certified by a qualified roofing contractor who must warrant its condition for a period of two (2) years against leakage from the date of its inspection and MUST be Transferrable.
- b. Heating – The heating system must be tested by a licensed heating/plumbing contractor and certified to be free from any defects and in good operating condition.

Note: The Building Bureau reserves the authority to require the replacement to either of these systems. Absent this determination, the above certifications are required.

THE ROOF WARRANTY AND HEATING CERTIFICATION MUST BE SUBMITTED TO THE CITY (PAID BY SELLER) PRIOR TO SCHEDULING PROPERTY SETTLEMENT.

The Realtor and/or Seller must notify the City upon completion of the repairs to schedule a re-inspection of the subject property and verify the work has been completed in compliance with City requirements and job specifications. Assuming approval of all work items, all parties (Lender, Realtor, Seller and Buyer) will be notified to finalize the process necessary to schedule settlement. If deficiencies are found to exist with the work, the Seller would be notified and a re-inspection scheduled within two (2) weeks from the date of the first inspection.

Note: The City has established a policy whereby all applications submitted under this program are settled within 120 (calendar) days from the date of their submission. In conformance with this

Policy, the City reserves the right to withdraw assistance from any project where either construction or processing delays (not directly attributed to the City) exceed this time frame.

NOTE: ALTHOUGH DUPLEX PROPERTIES ARE ELIGIBLE FOR ASSISTANCE UNDER THIS PROGRAM THEY ARE SUBJECT TO ADDITIONAL INSPECTION FEES.

PROPERTY SETTLEMENT

Formal Notice of Commitment from Lender – No commitment for any City assistance will precede a formal notice of approval from the private lending institution of the applicant's mortgage loan application and certification (by Building Bureau) of the satisfactory completion of all repairs.

Note: The City requires a minimum of twenty-one (21) business days notice from the date of its commitment for holding settlement.

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At settlement the City require copies of the following documents:

1. Mortgage Lien
2. Property Deed
3. Promissory Note
4. Termite Certification
5. Settlement Statement
6. Certificate of Occupancy
7. Roof Warranty
8. Heater certification

Note: All city documents executed under this program (mortgage lien, promissory note and program agreement) must be signed by the applicant (s) at settlement.

Mortgage Lien – The Title Company will record a mortgage lien evidencing the subsidy amount awarded to the purchaser(s). This lien will document the purchaser’s commitment to use the property as their principal residence for a term of ten (10) years from the date of its recoding. If any sale or transfer of the property should occur within the initial five (5) years, the entire amount of the subsidy must be repaid to the City. During years 6-10, the amount of the FTHP subsidy will be pro-rated on a declining scale and reduced 20% each year the buyer remains the owner-occupant of the property. After year 10, the lien amount will revert to \$0 and the lien will be processed for cancellation.

It is understood that any requests to subordinate the FTHP subsidy by a superior lien holder during the term of the FTHP mortgage will require the following conditions:

- The requesting agency/lender must provide a copy of the most recent appraisal of the subject property or a statement of value certified by a licensed appraiser
- The requesting agency must provide a copy of the property search listing all outstanding liens.
- The total indebtedness that includes the refinanced loan amount, other liens in a priority position & the FTHP subsidy cannot exceed 95% of the appraised value.
- If approved by the City, the requesting agency/ lender must prepare the subordination agreement and pay all applicable recording fees.

APPEAL PROCESS:

All requests appealing the rejection of a First Time Homebuyer (FTHP)/Property Improvement Program application must be submitted in writing by the respective applicant(s) within seven (7) working days from the date of the City’s letter notifying them of their initial decision.

All (written) appeals must be sent to the Division of Housing Services (DHS) and contain justification for reversal of the original funding decision. Upon its receipt the DHS will convene a meeting of the committee comprised of City officials who will discuss the merits of the appeal followed by a letter advising the applicant(s) of the committee’s decision. A successful appeal will result in the immediate re-instatement of the subject application while an opinion supporting the original decision will render the file closed.

Updated 7/2/2018

