



**Department of Planning & Development
Division of Housing Services
520 Market Street, Room 218A
Camden NJ 08101**

FIRST TIME HOME BUYER PROGRAM

FACT SHEET

All interested applicant(s) must first register & successfully complete an 8 hour Homebuyer Education Course with Neighborhood Housing Services (NHS). Successful completion of this course is **MANDATORY** and must be completed PRIOR to signing an Agreement to purchase. Any buyer who signs an agreement to purchase prior to completing the required course will be ineligible for assistance. Upon successful completion of this course, NHS will issue a referral to the City & provide instruction for scheduling an appointment to apply for funds.

Course Registration with NHS: <http://www.nhscamden.org/workshop/> (856-541-0720)

The First Time Homebuyer's Program 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(s) can apply for a "one-time" deferred loan of up to **\$14,999** 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.

ELIGIBILITY CRITERIA

1. Applicant must be a First Time Homebuyer:
 - 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 as their principal residence.
3. Annual income of all household members cannot exceed 80% of the median income as described herein:
4. Property must meet City Code Standards. No HUD-owned properties or homes sold in as-is condition will be considered.
5. Applicant(s) must attend & complete pre-purchase counselling with Neighborhood Housing Services and obtain certification of satisfactory completion prior to settlement.
6. Agreement of Sale must show evidence of applicant depositing a minimum of \$500 toward property down payment.

HOUSEHOLD INCOME LIMITS:

<u>Household Size</u>	<u>Maximum Income</u>	<u>Household Size</u>	<u>Maximum Income</u>
1	\$52,950	5	\$81,650
2	\$60,500	6	\$87,700
3	\$68,050	7	\$93,750
4	\$75,600	8	\$99,800

PROGRAM APPLICATION:

All applicant(s) seeking an appointment with Housing Services must first receive a referral from NHS. A referral will be provided after successfully completing the Homebuyer Education Course. The following documents must be provided at the 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 of Zero Income and copy of IRS proof of Non Filing
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

NOTE: Federal Guidelines 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 affect the applicant's eligibility for assistance under this Program.

Seller's Responsibility

The City's assistance to the applicant(s) is contingent on the seller(s) acceptance of these terms:

1. **Certificate of Continued Occupancy (CCO)** – The current owners (seller's) of the subject property must apply for a (CCO) from the City's Building Bureau & provide a copy to Housing Services.

2. **Two (2) Year Roof Warranty** – All existing roof(s) must be warranted by a qualified roofing contractor for leakage for a term of two years from date of issuance. All warranties must be transferrable. A copy must be provided to Housing Services
3. **Heating Certification** – Seller must provide a heater certification from a licensed heating/plumbing contractor. Heater must be certified free from any defects and in good operating condition. A copy must be provided to Housing Services

Buyer's Responsibility

The Buyer is responsible to provide the following:

1. **Termite Certification**
2. **Certified Home Inspection Report**

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 period.

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.

At settlement the City of Camden, require copies of the following documents:

1. Mortgage
2. Promissory Note
3. Property Deed
4. Closing Disclosure
5. Signed Termite Certification
6. Signed Purchase Order
7. \$63.00 Check to record 2nd mortgage (made payable to "Camden County Clerk")

Note: Applicant(s) at settlement must sign all city documents executed under this program (mortgage lien, promissory note and program agreement).

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 five (5) years from the date of its recording. 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. After year 5, the lien amount will revert to \$0 and the lien will be processed for cancellation.

Subordination Request: No Subordination Request will be permitted within the first year of purchase. Any requests to subordinate the FTTHP subsidy by a superior lien holder during the term of the FTTHP 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 FTTHP 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:

The respective applicant must submit all requests appealing the rejection of a First Time Homebuyer Program application in writing within seven (7) working days from the date of the City's letter notifying them of the 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.

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