

GUIDELINES

FOR

THE ENFIELD FIRST-TIME HOMEBUYER PROGRAM

Enfield Community Development Loan Program

Purpose and Priorities

The purpose of the Enfield First-Time Homebuyer Loan Program (FTHB) is to make funds available to help low-and moderate-income households purchase existing housing units in designated sections within the Town of Enfield at an affordable price. The Enfield Office of Community Development will promote the availability of funding to all eligible Applicants without regard to race, color, religion, national origin, sex, marital status, and age. Federal regulations issued under the Equal Credit Opportunity Act (ECOA) prohibits creditor practices that discriminate based on any of these factors.

Forms of Assistance

Financial Assistance for Down-payment or Closing Costs

This Program enables the Town of Enfield to increase the purchasing power of first-time homebuyers. In essence, this money is the gap funding the Applicant needs to meet the rising cost of housing in Enfield. The funds may be used towards 50% of the down-payment cost and/or up to 100% of reasonable closing costs related to the purchase of a home in Enfield. This money becomes a second deferred mortgage on the property. Funding comes from the federal and state Community Development Block Grant (CDBG) program through the Town of Enfield Office of Community Development (OCD). The maximum loan amount is \$10,000.

FTHB Loan

The Enfield FTHB loan program provides a deferred loan of up to \$10,000 to eligible low- and moderate-income home buyers who chose to purchase a home in Enfield. Deferred payment loans are at a 0% interest. This FTHB loan program is available town-wide but we do offer a forgivable loan for those eligible applicants who choose to purchase a home located within our target area of Thompsonville or North Thompsonville (Thompsonville-Tract 4806 or North Thompsonville-Tract 4805). The Town has designated this target area as a high priority for increased homeownership. Please refer to the target area map boundary on the last page. The forgivable loan of up to \$10,000 within this target area will be structured to have a portion (10%) of the loan forgiven each year over a 10-year period until the loan is completely forgiven. The applicant must own and reside in the home and not be delinquent on any mortgage, tax, and/or town sewer usage fee payments for the full 10-year period for the full loan to be forgiven.

The FTHB loan will become payable in full (or the remaining balance on the forgivable loan) if the property is sold or transferred in any manner (such as death of the property owner, sale of the home, elderly homeowner is placed in a nursing home etc.) or if the homeowner is delinquent on any mortgage, tax, and/or town sewer usage fee payments.

I. PROGRAM ELIGIBILITY

A. LOW-AND MODERATE-INCOME HOUSEHOLDS

Purpose

To provide financial assistance for the purchase of permanent housing that benefits low-and moderate-income households. Only residential housing under the following guidelines shall qualify:

Definitions

1. **First-Time Homebuyer** – Any Applicant who has not owned real estate for their primary residence or any other real property in the last three years.
2. **Market Rate** – Unless otherwise indicated, the average mortgage rate for a 30-year fixed rate mortgage from one of the lending institutions doing business with the Town of Enfield First-Time Homebuyer Program.
3. **OCD** – Office of Community Development acts on behalf of the Town of Enfield to run and administer the First-Time Homebuyer Program (FTHP).
4. **HQS** – Housing Quality Standard set by the Federal Department of Housing and Urban Development.
5. **Persons with a Disability** - Individuals with an inability to pursue particular functions based on a mental and/or physical impairment. Documentation of disability income is required.

B. ELIGIBILITY

1. Households may be eligible based on the **number of persons in the household and the total household income**. All income earned by all members of the household (except for dependent children) is calculated for purposes of determining if the household is eligible to receive funding assistance. Total household income must not exceed the federal income limits for Community Development Block Grants. Such income limits are updated annually by the U.S. Department of Housing and Urban Development (“HUD”). Current income limits (2019) for Hartford County are as follows:

# of People in Household:	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
80% of Median – Low Income	52,850	60,400	67,950	75,500	81,550	87,600	93,650	99,700

2. The Applicant is a first-time homebuyer, and all mortgages will not exceed the sales price limit of \$250,000 in total on the property.
3. The property must be the primary residence of the Applicant(s) for the duration of the loan.
4. Applicants do not have to live in Enfield when they apply for the program. However, the home they are purchasing must be located in Enfield.
5. The property to be purchased must be a single-family house, condominium, or a two- to four-family structure.
6. The Applicant receives a certificate of participation from an approved homebuyer-counseling program. (**Counselors HUD approved**)

Community Renewal Team, Inc.	Elizabeth Horton-Sheff (860) 560-5501 elizs@crtct.org	330 Market Street Hartford, CT 06120
Mutual Housing of Hartford	Ms. Deborah Broaden (860) 206-5270 dbroaden@mutualhousing.org	95 Niles Street Hartford, CT
Urban League	Ms. Val Gene Gripes (860) 527-0147 vgripes@ulgh.org	140 Woodland Street Hartford, CT
Neighborhood Housing Services of New Britain	Ms. Idalis Moreno 860-224-2433 IMoreno@nhsnb.org	223 Broad Street New Britain, CT

7. **Non-Displacement Policy** - Funds will not be provided towards the purchase of any property if any existing rental tenant(s) will be displaced upon change of ownership that would invoke the Town of Enfield Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the Housing and Community Development Act of 1974, as amended.
8. **Lead Paint Regulations** - Before occupancy all units must comply with lead paint regulations issued under Title X ("ten") of the Housing and Community Development Act of 1972. The new regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35). Please ask OCD staff for clarification on the new Federal lead paint regulations.
9. **Home Inspection** - Before occupancy, all units must be inspected by a licensed Home Inspector, and an inspection report must be submitted to the OCD prior to the closing.

II. TYPES OF ASSISTANCE

DOWN PAYMENTS

Down payments are usually required by your lending institution to demonstrate your ability to produce and save money. The funds may be used to pay for up to 50% of down-payment costs.

CLOSING COSTS

Closing costs include such items as; lending institution processing and servicing fees, attorney fees, appraisals, notary fees, recording fees and cost of inspections to determine the condition of the structure, mechanical / electrical systems, and property in general. Closing cost will be paid at the time of the closing by check which will be issued by the OCD.

III. GENERAL FTHB GUIDELINES

A. APPLICATION PROCESS

- The Lending Institution, on behalf of the Applicant, must submit a signed and fully completed FTHB application. The application states that the Applicant(s) has read and understands the FTHB Guidelines and agrees to abide by all terms and conditions of the Program.
- The Application clearly outlines the required materials needed by the OCD to process the application. Please refer to the **DOCUMENT CHECKLIST FOR REQUIRED INFORMATION FOR (FTHB) FIRST TIME HOMEBUYERS**. If an Applicant does not adequately complete the application in its entirety, the OCD will return the application to the Lending Institution, noting the omitted information.
- The OCD may require additional information and documentation if necessary.

B. PRELIMINARY ELIGIBILITY DETERMINATION

The Applicant will qualify for assistance if they meet the criteria to qualify with the program guidelines. The need will be determined by the OCD Staff at the time the lending institution issues a Loan Estimate (LE) for closing costs and down payment. Once that amount has been determined the Applicant's resources will be reviewed and need determined. The maximum amount of Down Payment / Closing Cost assistance is \$10,000 in the Town of Enfield.

A preliminary eligibility determination by the OCD is not a financial or legal commitment on the part of the OCD to provide a loan.

Once an Applicant is determined to be eligible, and they have submitted all necessary documentation to our office, their application will be presented to the Loan Review Committee. If approved, funds will be reserved for a period of 90 days, or by the set closing date on the offer.

C. FINAL DETERMINATION BY TOWN'S LOAN REVIEW COMMITTEE

Once a fully executed Purchase and Sale Agreement and the Guideform Notice-Disclosures to Seller with Voluntary, Arm's Length Purchase Offer has been provided to the OCD, funds will be committed, subject to the Loan Review Committee's approval, to the Applicant and thus provided to the lending institutions in which the first mortgage is held at settlement (closing).

D. COMMITMENT AND CLOSING

1. Commitment

The OCD commitment will take place after the Applicant has satisfied all closing requirements set by the Town of Enfield, the applicant and their lending institution. The OCD will issue a First-Time Homebuyer Loan Commitment Letter to the Applicant. The letter will also inform the Applicant of other information, conditions, and/or materials that may be required to establish a loan closing date.

The Applicant must meet any and all requests for supplementary information, condition and/or materials as specified in the letter. The Applicant will be asked to sign the Loan Commitment Letter, a Truth in Lending Disclosure Statement, and a Lead Paint Notification Form.

2. Closing

The First-Time Homebuyer loan will precede the closing on the First Conventional Mortgage. The following is a partial list of typical documents required at the closing:

1. Mortgage Deed
2. Insurance Binder for both hazard (liability) and property insurance if applicable. The OCD must appear as a loss payee as follows:

Town of Enfield
Office of Community Development
820 Enfield Street
Enfield, CT 06082

E. LENDING INSTITUTIONS

Applicants are encouraged to work with local Lending Institutions who are familiar with the Enfield housing market and can provide on-going services after the sale is complete. However, buyers are not limited to local Lending Institutions as long as the terms and rates of your mortgage are comparable with industry standards. The Town of Enfield reserves the right to investigate the lending practices of all Lending Institutions involved in this program. The Town will refuse Applicants that attempt to obtain mortgages from institutions that engage in predatory or unscrupulous lending activities.

All funding for the closing, other than OCD funding is the responsibility of the Applicant. Any procedures or requirements of the Lending Institutions will be not superseded by the FTHB Program.

G. PROGRAM CONTACT
Office of Community Development
820 Enfield Street
Enfield, CT 06082
860-253-6390
www.enfield.org

OFFICE USE ONLY

Date/ Time Received Complete:

Case #:

Date: _____

Town of Enfield
FTHB Program Application

Applicant 1: _____ **M F**
(LAST) (FIRST) (MI)

Current Address: _____
(Applicant 1) Street/ Apt.# City/Town State Zip

If you have lived at this address for less than one year please list your previous address: _____

Social Security # _____ **(Primary Applicant)**

Date of Birth # _____ **(Primary Applicant)**

Email Address: _____

Daytime Telephone # () - _____ **(Primary Applicant)**

Evening Telephone # () - _____ **(Primary Applicant)**

- Have you owned a home in the past three years? Yes No
- What is your monthly rent? (If applicable) \$_____
- Have you received a certificate within the last year for completion of a First Time Home Buyer training course? Yes No *(If yes, please attach a copy of your certificate to the application. If no, you must provide)*

Co Applicant: _____ **M F**
(LAST) (FIRST) (MI)

Current Address: _____

(Co Applicant) Street/ Apt.# City/Town State Zip

If you have lived at this address for less than one year please list your previous address: _____

Social Security # _____ **(Co Applicant)**

Date of Birth # _____ **(Co Applicant)**

Email Address: _____

Daytime Telephone # () - _____ **(Co Applicant)**

Evening Telephone # () - _____ **(Co Applicant)**

Names and Ages of Children in Household:

REQUESTED LOAN AMOUNT _____

Household Composition

Number of Persons who reside in Applicant(s) current home: _____
 Number of children who will live with the Applicants(s): _____
 Number of children (if any) under the age of 6 who will reside in unit: _____
 If a purchasing a multifamily home, list the number of units: _____

The following information is not required. However, this information will enable us to adhere to Fair Housing Regulations.

Ethnic Identity: ___ Asian ___ Black ___ Hispanic ___ Eskimo / Aleutian
 ___ Pacific Islander ___ Cape Verdean ___ Native American ___ White ___ Other

Female Head of Household: Yes No
 Household Member Disabled: Yes No

Income

Please list all income of all household members who receive income and source of income, including the Applicant(s) (employed, social security, disability, etc.). Also, list the gross monthly amount of income received. In addition, list the position from which income is received, if applicable.

List Gross Dollars	Applicant	Co-Applicant	Position
A. Wages, Salary, Tips	\$	\$	
B. Business Income	\$	\$	
C. Social Security	\$	\$	
D. Pension	\$	\$	
E. Child Support	\$	\$	
F. Alimony	\$	\$	
G. Dividends and Interest	\$	\$	
H. Unemployment Compensation	\$	\$	
I. Other(describe)	\$	\$	
Total	\$	\$	

EMPLOYMENT INFORMATION

Household Member/Applicant(s)	Employer/Address	Name of Supervisor	Length of Employment	Telephone #

ASSETS/LIABILITIES

Assets:	Balance	Account #	Bank/Finance Co.
Checking:	\$		
Savings:	\$		
CD/IRA:	\$		
Time Share	\$		
Other:	\$		

List all Credit Accounts, Loans (Credit Cards, Department Stores, Auto, Personal Loans, etc.)

Creditor	Account #	Balance Due	Monthly Payment
	\$		
	\$		
	\$		
	\$		
	\$		
	\$		
	\$		

Have you ever had any judgments or other legal proceedings against you? Yes _____ No _____

Have you gone through bankruptcy in the past ten (10) years? Yes _____ No _____

If yes, please explain: _____

Are you co-maker, endorser or guarantor for others? Yes _____ No _____

If yes, please explain: _____

Please attach all other supporting information to this application form.

LENDING INSTITUTION

Name of Institution _____

Loan Officer / Contact Person _____

Phone Number _____

Please attach a copy of your mortgage application to this FTHB application.

=====
I/We certify that the above information is correct to the best of my knowledge, and I/We authorize the Enfield OCD to verify the facts stated. I/We also understand giving false statements or information will automatically terminate this application. I/We certify that this application does not in any way constitute a binding agreement between the Enfield FTHB Program and the said applicant(s) for the funding assistance to the purchase of property. I/We have read and fully understand the FTHB Program guidelines provided to me with this application, including all intake procedures for the program. I/We also understand that the funding used for the Enfield FTHB Program has income and affordability restrictions as well as deed restrictions.

Applicant 1 signature: _____ Date: _____

Applicant 2 signature: _____ Date: _____

DOCUMENT CHECKLIST FOR REQUIRED INFORMATION FOR (FTHB) FIRST TIME HOMEBUYERS

INITIAL INFORMATION REQUIRED WITH THE APPLICATION FOR FTHB

1. COMPLETED APPLICATION
2. LETTER OF FIRST COMMITMENT OR PRE APPROVAL LETTER FROM THE BANK OR LENDING INSTITUTION
3. CREDIT REPORT
4. CERTIFICATE FROM AN APPROVED HOMEBUYER COUNSELING CLASS

INCOME TAX DOCUMENTATION

1. LAST 2 YEARS OF TAX RETURNS INCLUDING W-2 FORMS (1040,1040A,1040 EZ,1098,1099 AND ALL SCHEDULES)
2. IN THE EVENT A TAX DOCUMENT IS MISSING IN PART OR IN WHOLE, OR IF THE APPLICANT DID NOT FILE TAXES, A TRANSCRIPT OR VERIFICATION OF NONFILING MAY BE REQUESTED FROM THE IRS (FORM 4506 AVAILABLE UPON REQUEST FROM IRWS.GOV)
3. IF SELF-EMPLOYED, INCLUDE YEAR-TO-DATE PROFIT AND LOSS STATEMENT AND LAST FOUR (4) QUARTERLY TAX PAYMENT DOCUMENTS

EVIDENCE OF INCOME

1. LAST 30 DAYS OF APPLICANT(S) AND PERSONS WITHIN HOUSEHOLD WHO EARN INCOME:
 - a. PAYROLL STUBS
 - b. ALIMONY
 - c. CHILD SUPPORT
 - d. SOCIAL SECURITY
 - e. PENSION
 - f. DISABILITY (MAY BE REQUIRED TO SUBMIT EVIDENCE OF DISABILITY)
 - g. UNEMPLOYMENT
 - h. OTHER
 - i. CHILD 18 YEARS OR OLDER AND A FULL-TIME STUDENT, PLEASE PROVIDE 30 DAYS OF INCOME AND A LETTER FROM THE EDUCATIONAL INSTITUTION INDICATING STUDENT'S FULL-TIME STATUS
2. VERIFICATION OF INCOME
 - a. LETTER FROM EMPLOYER/SUPERVISOR INDICATING LENGTH OF EMPLOYMENT, CURRENT SALARY, ANY BONUS OR COMMISSIONS APPLICANT HAS BEEN OR MAY BE ELIGIBLE FOR ON AN ONGOING BASIS. INCLUDE DIRECT TELEPHONE NUMBER OF EMPLOYER/SUPERVISOR TO VERIFY INCOME.

DOCUMENT CHECKLIST FOR REQUIRED INFORMATION FOR (FTHB) FIRST TIME HOMEBUYERS (CONTINUED)

LIABILITIES

PROVIDE COPIES OF TWO (2) MOST RECENT STATEMENTS

- a. AUTO LOAN/LEASE(S)
- b. CREDIT CARD(S)
- c. PERSONAL LOAN
- d. DEPARTMENT STORE
- e. OTHER (DESCRIBE)

ONCE A PRELIMINARY ELIGIBILITY DETERMINATION HAS BEEN MADE BY THE OCD AND ONCE YOU ARE IN THE PROCESS OF PURCHASING A HOME, WE WOULD ALSO NEED THE FOLLOWING INFORMATION TO PRESENT TO THE LOAN REVIEW COMMITTEE:

1. PURCHASE AND SALES AGREEMENT

THIS FOLLOWING FORM MUST BE INCLUDED WITH THE PURCHASE AND SALES AGREEMENT (IF YOU DO NOT COMPLETE THIS FORM, OUR OFFICE WILL NOT BE ABLE TO PROCESS YOUR APPLICATION)

- a. DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS.

2. CERTIFIED PROPERTY APPRAISAL

3. HOME INSPECTION REPORT (COMPLETED BY A LICENSED HOME INSPECTOR)

4. GUIDEFORM NOTICE-DISCLOSURE TO SELLER WITH VOLUNTARY, ARM'S LENGTH PURCHASE OFFER

Target Area for a Forgivable Loan

