



City of Lawton

Housing and Community Development

FIRST-TIME HOMEBUYER (FTHB) ASSISTANCE INFORMATION PACKET

To expand homeownership opportunities for low-income households, the City's Housing & Community Development (HCD) office will provide financial and technical assistance to allow first-time homebuyers to purchase a property within Lawton city limits. Assistance for downpayment and closing costs may be provided based on need. Assistance is provided from either Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME) Program funds.

The following basic eligibility criteria apply to the FTHB Assistance Program.

1. Housing acquired must be single-family housing, which may be newly constructed units, detached units, attached units (patio homes), condominiums, or townhouses.
 - (a) Applicants may purchase the home they currently rent provided that the property is for sale.
 - (b) Housing purchased by a "contract for deed" (or like contract), where the homebuyer does not gain possession of the property deed until all contract agreements have been met, is not eligible for FTHB Assistance Program assistance.
2. Housing must be within the corporate limits of the City of Lawton.
3. Housing must not be located within a floodplain area, airport clear zone (CZ), or any other environmental hazard areas as determined by HCD staff.
4. Housing must meet the City of Lawton's property maintenance codes to be eligible for assistance. HCD staff, prior to any assistance being provided, must inspect the property for compliance with city codes. The homebuyer assistance does not provide any funding to make required repairs.
5. Obligations to the city must be current.
6. A low-income homebuyer must acquire the housing, and the housing must be the principal dwelling of the household throughout the applicable period of affordability.
7. **Housing costs after purchase, which includes principal, interest, taxes, insurance (PITI), and estimated utility costs shall not exceed thirty (30) percent of the household's monthly gross income.**
8. Assistance is provided on a first-come, first-serve basis to applicants that meet the eligibility requirements, and have a property selected which has been inspected and approved by the HCD staff.

The following eligibility criteria apply to applicants for the FTHB Assistance Program.

1. Assistance will be provided in the form of a deferred loan for downpayment and/or closing costs.

One hundred (100) percent of the loan will be forgiven provided that the homebuyer owns and resides in the property for the applicable period of affordability. The **maximum** FTHB Assistance Program loan is \$14,999.99.

- (a) a promissory note in the principal amount of and /100 Dollars (\$) , identified as the Forgivable Note, and equaling one hundred percent (100%) of the total Loan Amount;
2. Applicant must be a first-time homebuyer who meets any one of the following criteria:
 - (a) An individual who has had no ownership in a principal residence during the three (3) year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).
 - (b) A single parent that has only owned a property with a former spouse while married.
 - (c) An individual who is a displaced homemaker and has only owned a property with a spouse.
 - (d) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
 - (e) 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.
 3. The program is designed to assist low-income homebuyers as defined by the Lawton Metropolitan Statistical Area guidelines established by HUD and revised annually. Total annual household gross income shall not exceed eighty (80) percent of the City's median area income adjusted for household size, as calculated using an approved HUD method. The current income chart may obtain from HCD staff.
 - (a) Income of all household members will be included in the income determination, with the exception of minors under the age of 18. Household size will be determined by the number of household members living in the home on a regular basis. Income level may be established in any reasonable manner including but not limited to, a 1040 form, a W-2 form, an employment pay stub, or a Social Security statement, etc.
 - (b) Applicants must submit all information requested in the application that applies to the household and complete all verification forms. The HCD staff will verify all information submitted. Applicants shall provide accurate information regarding their household composition and household income. Applicants must provide all necessary documentation and proof of income at time of application. Failure to provide all required documentation at time of application or failure to disclose information, which may affect eligibility requirements, may constitute fraud and result in denial of the application. Applicants shall be required to make full restitution to the city in the event the FTHB Assistance Program assistance is provided to applicants who provided inaccurate or incomplete information in order to meet eligibility requirements. Requests for further housing and community development services will be denied unless restitution is made in full.
 - (c) When applying, applicant shall authorize in writing that the HCD staff may verify all pertinent information, including social security numbers and credit information. The city reserves the right to re-verify income at any time before the contract closing.

4. Applicant must exhibit the ability and willingness to pay creditors. Applicant must not be delinquent on the City of Lawton Water Bill, Comanche County Property Taxes, and Federal Student Loans. Credit worthiness will be checked through Experian. Maximum Housing Allowance cannot exceed 30% of Monthly Gross Income.
5. Applicants must attend a Homeowner Education Class and provide HCD a certificate of attendance before any HOME Program funds are committed to a FTHB Assistance Program activity.
6. Applicant shall secure financing for the primary mortgage from a private lending institution. The City of Lawton will not provide primary financing for the purchase of the property.
7. Applicant shall pay a **\$25.00 application fee** due at the time the application is submitted. The application fee is non-refundable.

Financial Assistance. Financial assistance for FTHB Assistance Program will be in the form of a deferred loan for downpayment and/or closing costs. One hundred (100) percent of the loan will be forgiven provided that the homebuyer owns and resides in the property for the applicable period of affordability.

Financial Assistance Guidelines. The City will use the following guidelines for approving the eligibility of the applicant for a deferred loan. Should the applicant fail to meet any of the following requirements, the application shall be placed on hold or cancelled until such time as the requirements have been satisfied.

1. Qualification Ratio. Total housing costs for PITI and estimated utility costs cannot exceed thirty (30) percent of gross monthly income. This number will be compared against the lender's good faith estimate of the monthly payment. If this number is within \$20 of the lender's good faith estimate (if available), the applicant will be determined to meet the qualification ratio. If an applicant does not meet this guideline; the applicant shall make an attempt to reduce their housing costs qualification ratio within the guidelines to qualify.
2. Credit History. If a previous foreclosure, bankruptcy within past five (5) years, tax lien, judgment, or default on federal debt (student loans, etc.) appears on a credit report, the applicant shall not be eligible. A waiver may be granted for the bankruptcy requirement provided that an applicant has obtained a pre-approval for a mortgage from a private lending institution.

Required HUD Program Provisions. HUD requires that units assisted with federal funds remain affordable to low-income purchasers for the stated period of affordability or until the unit is sold, or the federal subsidy is recaptured. The following provisions shall apply to the FTHB Assistance Program.

1. The property must be used as the applicant's principal residence.
2. No temporary subleases are allowed.
3. The appraised value of the property is less than or equal to the applicable Single-Family Mortgage Limits under Section 203(b) of the National Housing Act.
4. Federal funds must be recaptured if sale or foreclosure occurs prior to the end of the period of affordability.
5. You are not permitted to receive any cash as part of this transaction on the purchase of your home. Any excess payment shall be applied to principal reduction at closing and must be reflected on the HUD-1.

Application Procedures. Applicant completes the housing assistance application, the eligibility release form, the homebuyer requirements form, and the applicable documentation. The applicant returns the completed forms, required documentation, and a \$25.00 application fee to the HCD office for processing.

The applicant is required to furnish all documentation for the FTHB Assistance Program to verify income eligibility. Applications will not be reviewed until all information is received; therefore, it is important that a complete set of documents be provided; insufficient documentation will result in a delay of processing the application.

1. The applicant must provide the following source documentation, if applicable, of all household income, assets, and household members.
 - (a) Copy of latest IRS Form 1040, 1040A, or 1040EZ,
 - (b) Current employment income (copies of last two (2) months pay stubs, W-2 forms, etc.) for each household member(s) employed,
 - (c) Copies of unemployment benefits received for each household member,
 - (d) Copies of Social Security Administration income for each eligible household member,
 - (e) Copies of retirement pension income for each eligible household member,
 - (f) Other income (i.e., business income, rental income, etc.) for each eligible household member,
 - (g) Copies of last two (2) months bank statements (**ALL** accounts) for each household member,
 - (h) Copies of dividend reports for stocks, trust funds, certificates of deposits, etc. for each household member,
 - (i) Copies of social security card of each household member, and
 - (j) Copies of a government issued identification card (i.e., driver's license, military ID card, etc.).

HCD staff will review all documents, verify all information with third parties, and determine eligibility. After determination of eligibility, approval of the application, HCD will provide a notification of eligibility letter to the applicant. An applicant may then proceed to seek an eligible property in accordance with program guidelines. Thank you for your interest in our first-time homebuyer program. If you have any question, please feel free to call the HCD office at (580) 581-3347.



City of Lawton

Housing and Community Development
1405 SW 11th Street, Lawton, OK 73501
580-581-3347

FIRST TIME HOMEBUYER ASSISTANCE APPLICATION

A. APPLICANT(S) INFORMATION

1. _____
Last Name First Name Middle Initial
[] Single [] Married [] Divorced [] Widowed

2. _____
Last Name First Name Middle Initial
[] Single [] Married [] Divorced [] Widowed

Current Address City State Zip Telephone Number

B. PROPERTY INFORMATION

1. Have you ever own any property or real estate before? [] Yes [] No
If yes, when and with whom did you own it? _____

2. After reading the attached information packet, do you believe you meet the definition of a first-time homebuyer? [] Yes [] No

C. HOUSEHOLD INFORMATION (Head of Household uses first line)

	Name	Age	Relationship	Yes	No
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____

D. EMPLOYMENT

- 1. _____
Applicant's Employer Employer Address
- 2. _____
Co-Applicant's Employer Employer Address
- 3. _____
Other Adult's Employer Employer Address

E. GROSS MONTHLY INCOME (Before taxes and other deductions)

- 1. Applicant's Gross Wages \$ _____
- 2. Co-Applicant's Gross Wages \$ _____
- 3. Other Adult's Gross Wages \$ _____
- 4. Retirement/Pension, Veteran's Benefits, Social Security, etc \$ _____
- 5. Other Earnings: Alimony, Child Support, etc \$ _____
- TOTAL MONTHLY HOUSEHOLD GROSS INCOME** \$ _____

F. LIQUID ASSETS

- 1. _____ \$ _____
Bank Name Checking Account Number Balance
- 2. _____ \$ _____
Bank Name Savings Account Number Balance
- 3. _____ \$ _____
Bank Name Other Account Number Balance
- 4. Other Liquid Assets: US Savings Bonds, Stocks, Notes, Trust Fund, Cash on hand \$ _____
- TOTAL LIQUID ASSETS** \$ _____

G. FIXED ASSETS (list values)

- 1. Real Estate (other than primary residence) \$ _____
- 2. Vehicle (other than primary) \$ _____
- 3. Personal Property (jewelry, collectables, antiques, etc) \$ _____
- TOTAL FIXED ASSETS** \$ _____
- TOTAL LIQUID & FIXED ASSETS** \$ _____

I/we, the applicant(s), certify that all information in this application is given for the purpose of obtaining assistance under the City’s housing programs, and is true and complete to the best of the applicant's knowledge and belief. I/We also understand(s) that I/We am/are subject to all program guideline changes that may be implemented in the future without prior notice. Applicant(s) understands that willful falsification of this information may require the applicant to reimburse the City of Lawton the project cost of housing assistance received. Applicant(s) agrees that any of the information contained in this application may be verified by any source necessary.

I/We, the applicant(s), certify that I/we have read and understand the attached “FIRST-TIME HOMEBUYER (FTHB) ASSISTANCE INFORMATION PACKET”.

WARNING: TITLE 18, SECTION 1001 OF THE U.S. CODE STATES THAT A PERSON IS GUILTY OF A FELONY FOR KNOWINGLY AND WILLINGLY MAKING FALSE OR FRAUDULENT STATEMENTS TO RECEIVE SERVICES UTILIZING UNITED STATES GOVERNMENT FUNDS.

Applicant’s Signature	Date	Co-Applicant’s Signature	Date
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The below information is requested for Federal reporting purposes and will not be considered in evaluating your application. *(Please mark the Race and Ethnicity box(es) that you feel best describes your Household)*

Race: Please check all appropriate boxes

- | | |
|--|---|
| <input type="checkbox"/> American Indian/Alaska Native
<input type="checkbox"/> Asian
<input type="checkbox"/> Black/African American
<input type="checkbox"/> Native Hawaiian/other Pacific Islander
<input type="checkbox"/> White | <input type="checkbox"/> Black/African American & White
<input type="checkbox"/> American Indian/Alaska Native & White
<input type="checkbox"/> American Indian/Alaska Native & Black/African American
<input type="checkbox"/> Asian & White
<input type="checkbox"/> Other Multi-racial |
|--|---|

Ethnicity:

- | | |
|---|---|
| <input type="checkbox"/> Hispanic or Latino | <input type="checkbox"/> Non-Hispanic or Latino |
|---|---|

Are you (Applicant) a female head of household? Yes No



City of Lawton

Housing and Community Development

HOMEBUYER'S RESPONSIBILITIES TO RECEIVE HOMEBUYER HOUSING ASSISTANCE

1. **(INSURANCE REQUIREMENTS)** I/We agree that the property being purchased will be covered by a Homeowner's Insurance Policy before FTHB Program assistance is provided. The maximum allowable deductible amount on the policy shall not be more than \$1,000.00. I also agree to maintain Homeowner's insurance on the property for the full period of affordability required by the City of Lawton. I further agree to have the City of Lawton listed as a co-insured on the policy. INITIAL(S) _____
2. **(FINANCING REQUIREMENT)** I/We agree to secure financing for the primary mortgage from a private lending institution. INITIAL(S) _____
3. **(REPAYMENT REQUIREMENTS)** If I/We do not reside in the property for the applicable period of affordability, all or a portion of the deferred forgivable loan may be repayable. I/We shall execute a secondary mortgage on the property for the FTHB Program assistance provided. INITIAL(S) _____
4. **(OCCUPANCY REQUIREMENTS)** I/We agree that the assisted property must be in the corporate limits of the City of Lawton and shall be my principal residence for the affordability period. INITIAL(S) _____
5. **(EARNEST MONEY & FEES)** I/We understand that earnest money and fees may be required to enter into a contract for sale. These items are the responsibility of the applicant. INITIAL(S) _____
6. **(HOMEBUYER EDUCATION)** I/We agree that I/We WILL attend a Homebuyer Education Class and provide HCD a certificate of attendance before assistance is provided. INITIAL(S) _____
7. **(CLOSING COSTS)** I/We understand that the program **may not** cover 100% of the applicant's closing costs. Any closing costs **not** covered by the program are the responsibility of the applicant. INITIAL(S) _____
8. **(NO CASH BACK AT CLOSING)** I/We understand that I/we are **not** permitted to receive any cash back as part of this transaction of purchasing a home. Any excess payment shall be applied to principal reduction at closing and must be reflected on the HUD-1. The excess cash shall be returned to the City of Lawton and applied as a prepayment on the repayable portion of your deferred loan. INITIAL(S) _____
9. **(RECAPTURE PROVISIONS)** I/We understand the following Recapture Provisions will apply.
 - A. If the new homeowner retains ownership and occupies the property as their principal residence for the minimum period of affordability described in paragraph 4. above, no recapture restrictions will apply.
 - B. The HOME-assisted housing must meet the affordability requirements for not less than a five (5) year period of affordability beginning after project completion. The affordability requirements shall apply without regard to the term or repayment of the loan and shall be imposed by a promissory note and mortgage, except that the affordability requirements may terminate upon foreclosure or transfer in lieu of foreclosure.

(a) If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the City shall recapture all or a portion of the HOME assistance to the FTHB in accordance with the executed promissory note and mortgage and the provisions below.

(b) In accordance with 24 CFR 92.254(a)(5), the CITY shall use the shared net proceeds method of the recapture requirements to ensure affordability for homeownership assistance. If the FTHB decides to sell the house within the period of affordability, the City will require recapture of all or a portion of the HOME assistance that enabled the FTHB to buy the dwelling unit as follows:

Shared net proceeds: When the net proceeds are insufficient to recapture the full or a reduced amount of the HOME investment plus enable the FTHB to recover the amount of the homeowner's down payment and any documented capital improvement investment made by the FTHB since purchase, the City and the FTHB shall proportionally divide the net proceeds as set forth in the mathematical formulas in 24 CFR 92.254(a)(5)(ii)(A)(3).

HOME Investment	
HOME Investment + Homeowner Investment	X Net Proceeds = Home Amount to be Recaptured
Homeowner Investment	
HOME Investment + Homeowner Investment	X Net Proceeds = Amount to Homeowner

An example of the formula in practice:

A homebuyer was given \$5,000 HOME funds to help with closing costs. The homebuyer invested \$4,500 of their money for closing and down payment. The homeowner upon selling the house for an amount that provided \$9,000 net proceeds would receive \$4,230.

\$5,000	
\$5,000 + \$4,500	X \$9,000 = \$4,770 HOME Recapture
\$4,500	
\$5,000 + \$4,500	X \$9,000 = \$4,230 Amount to Homeowner

The City's share of the proceeds shall not, in any case, exceed the HOME investment provided to purchase the dwelling unit. The net proceeds are defined as the sales price minus loan repayment (other than HOME funds) and closing costs. All capital improvement investment made on the part of the homeowners must be documented with receipts showing the amount of investment and the date of investment.

C. Although the agreement between the City of Lawton and the LUHA dated March 14, 2000 entitled the LUHA to retain all money and/or assets generated, received, or recaptured from projects, the LUHA will return any money and/or assets generated, received, or recaptured from the HOME investment to the City to be used to carry out HOME-eligible activities in accordance with the requirements of the HOME Program rule.

INITIAL(S) _____

Failure to agree to any of the above requirements will result in my/our disqualification to receive assistance from the City of Lawton for the FTHB Program. I/We fully understand that I/we also must meet all the other eligibility requirements (income, property, feasibility requirements, etc.) to receive FTHB Program assistance.

Applicant's Signature Date

Co-Applicant's Signature Date