

Dear Potential Home Buyer:

Enclosed within this packet is all the information you need to apply for the Erie County First Time Home Buyer Program. Please read all information carefully before applying to the program. The completed application needs to be returned with all required documentation as outlined in this packet to be considered for eligibility.

Also enclosed within this material is a packet of forms that you will need to give to your realtor once you submit an offer on a house. These forms need to be executed by both yourself and the seller, and then attached to the Contract of Sale. The Authorization for Inspection Form (HF-22), Disclosure of Information on Lead Based Paint and Lead-Based Paint Hazards (HF-26), Rider No. 1 (HF-23), Release of Loan Information Form (HF-92) and Subordination of Mortgage Policy (HF-110) must be signed by the parties noted and attached to the Contract of Sale. A copy of the Contract of Sale, along with the above-mentioned forms, must be forwarded to Erie County as soon as you enter into a purchase agreement.

Please return the application along with all necessary documentation to:

Ellary Mori, Housing Specialist
Erie County Department of Environment and Planning
Edward A. Rath County Office Building
95 Franklin Street – Room 1063
Buffalo, NY 14202

Thank you for your interest in the Erie County First Time Home Buyer Program. If you have any questions, please contact me at 858-2733.

Very truly yours,

Ellary Mori
Housing Specialist

ERIE COUNTY FIRST TIME HOME BUYER PROGRAM

FACT SHEET

Program Description

The Erie County First Time Home Buyer Program is a home purchasing program that makes home ownership affordable to low- and moderate-income households. Through the HOME Investment Partnership Program and the American Dream Downpayment Initiative (ADDI) Program, Erie County is offering deferred loans in the amount of \$3,000 to \$14,000 to eligible first time home buyers for assistance with down payment, closing costs, and interest rate buydown.

Criteria for Participation

1. The applicant must not have owned a home in the past three years unless one of the following apply:
 - The applicant is a “displaced homemaker”, as defined as an individual who owned a home with his or her spouse, or resided in a home owned by the spouse, who has not worked full time in the labor force for a number of years but has during such years worked primarily without remuneration to care for the home or family, and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.
 - The applicant is a single parent, who owned a home with his or her former spouse when married, or resided in a home owned by the former spouse.
 - The applicant owns and resides in a home that is not affixed to a permanent foundation.
2. The purchased property must be a single or two-family house. (Condos and town homes are eligible).
3. The property must be owner-occupied after purchase. Also, the property must be the principle residence of the applicant for the life of the five-year affordability period.
4. The property must be located within any of the cities, towns or villages in Erie County **except** the City of Buffalo, Towns of Amherst, Cheektowaga, Hamburg and Tonawanda, and the Villages within these towns (see attached map).
5. The maximum purchase price of the property cannot exceed \$120,000 for a single-family or two-family house.

6. For homes built in 1978 or earlier, the property must be free of all lead-based paint hazards as determined by a visual assessment of the property by a County Inspector.
7. The property must satisfy federal housing quality standards and local building code requirements.
8. The annual income for all adult members and minors 16 years of age and older living in the applicant's household cannot exceed the following income figures based upon household size:

1 Person:	\$36,600
2 Persons:	\$41,800
3 Persons:	\$47,050
4 Persons:	\$52,250
5 Persons:	\$56,450
6 Persons:	\$60,650
7 Persons:	\$64,800
8+ Persons:	\$69,000

Household Income

Gross annual household income means income from all household members age 16 and over and from all sources. An applicant's current gross household income will be utilized as the basis for determining income eligibility. Income from all sources will be verified with supporting documentation as outlined on the application form. If the household's income cannot be determined, the applicant's income will be presumed to be over income limits and therefore ineligible for participation.

Financial Assistance

Financial assistance will be in the form of a \$3,000 to \$14,000, 0% interest deferred loan that is forgiven after five years if the home remains occupied by the purchaser. You need not make any payments toward the loan unless your home is sold, transferred in title, or you cease to occupy the property as your primary residence within the five-year period. If any of these events occur, a portion of the loan must be repaid to the County. Following successful occupancy of the house for the full five years, the loan is forgiven and the lien is discharged.

Actual grant/loan assistance provided to eligible purchasers is dependent upon which income bracket you fall under, and whether or not the purchased property is a single or two-family home. Applicants will be informed of how much of a grant/loan they qualify for upon receipt of a completed application by Erie County.

Eligible Use of Funds

Funds are available for down payment and closing cost assistance, as well as mortgage principal reduction, and/or interest rate buydown.. Please note: HUD guidelines stipulate that the borrower may not get any cash back at closing. Any additional grant funds that are left over must be applied to principal reduction.

Grant funds do not cover fees required prior to closing (e.g. appraisal fee, credit report fee, home inspection, 1st year homeowner insurance).

Purchaser Must Provide

- The greater of 1% of the purchase price or \$500, as down payment.
- Additional down payment/fees as required by the bank (e.g.: appraisal, first year's homeowners insurance, etc...)

Selection Process

Applicants will be selected on a first come, first served basis after qualifying for program participation and submitting a Contract of Sale that is approved by Erie County. For a Contract of Sale to be approved, Erie County must receive a copy of the contract, along with signed copies of the County attachments to the contract (enclosed in this packet).

***Please note – you must be pre-approved by Erie County prior to submitting a bid on a house. Erie County will not assist any person(s) applying to the program who already have a contract of sale for a house.**

Mortgage Processing

M&T Mortgage Corporation is the designated lender for the Erie County First Time Home Buyer Program. M&T Mortgage has agreed to set aside 30-year, fixed-rate mortgages with reduced interest rates and lower down-payment requirements.

***Applicants must receive their mortgage through the County's designated lender in order to receive grant funding.**

First Time Home Buyer Workshop

All program participants (person (s) whose name (s) will appear on the mortgage) are required to attend a County-sponsored First Time Home Buyer Workshop offered by Belmont Shelter Corporation *prior to* closing on the property.

In addition, participants may be required to attend post-purchase homeownership counseling upon the direction of the Erie County Department of Environment and Planning. Said requirement is dependent on the funding source used to assist the particular participant.

Lead-Based Paint

Erie County will not assist in the purchase of any home built prior to 1978 which does not pass a visual assessment for the presence of possible lead-based paint hazards. The assessment is certified by Erie County personnel and consists of examining the inside and outside of the house for any deteriorated paint, structural problems, or peeling on painted surfaces. **IT IS VERY IMPORTANT FOR APPLICANTS, REALTORS, LENDERS, AND SELLERS TO UNDERSTAND THAT THE HOME SHOULD BE COMPLETELY FREE OF THESE HAZARDS PRIOR TO THE VISUAL ASSESSMENT. REPAINTING AND VACUUMING, ESPECIALLY OF WINDOW TROUGHS, SHOULD OCCUR BEFORE THE VISUAL ASSESSMENT OCCURS.**

Housing Quality Standards and Local Code Compliance

Erie County will not assist in the purchase of any house which is not in compliance with federal housing quality standards and local codes. A house inspection occurs by County personnel prior to closing to insure compliance with the above. Any deficient items (e.g. lacking an outside stair railing, broken glass) will require correction prior to closing. County funds are not available to assist in correcting any deficiencies.

Security

All loans will be secured by a note and mortgage through Erie County Department of Environment & Planning on the subject property. A lien will be placed on the property for the five-year affordability period. Upon your occupation of the house for the five-year affordability period, the mortgage will be discharged.

Property Insurance

The loan recipient will be required to keep the property insured against loss by fire and other risks at all times. Erie County has to be named as a second mortgagee on the homeowner's insurance policy.

ERIE COUNTY FIRST TIME HOME BUYER PROGRAM
PROCEDURES

1. Prospective home buyer submits application with necessary income documentation to Erie County Housing Office.
2. Housing staff reviews applications for completeness and notifies applicant of any missing items or deficiencies. Upon receiving a complete application, housing staff will verify income to determine eligibility for program participation.
3. Home buyers will be notified by mail of their eligibility status.
4. Approved home buyers will be directed to meet with a mortgage consultant at M&T Bank for a mortgage pre-approval. (Please bring a copy of the Erie County Grant Approval Letter upon meeting with the bank so that they can factor in the amount of assistance you are receiving).
5. Lender pre-approves (if qualified) home buyer for a certain amount which will help guide the applicant in their home search.
6. Home buyer is notified of date and time of upcoming First Time Home Buyer Workshop.
7. Home buyer has 90 days from the date of their original approval letter to enter into a purchase contract for a house. (Should the home search take longer than 90 days, income documents will have to be updated and re-verified).Purchase contracts must be contingent on the property passing an inspection by Erie County. Purchase contracts must also contain signed copies of the enclosed attachments to the contract of sale.
8. Erie County receives a copy of the executed contract of sale along with the required attachments and conducts an inspection of the property.
9. Upon successful completion of the inspection, applicant receives a final approval letter from Erie County. About this time, home buyer is also formally applying for a mortgage through the preferred lender.
10. Lender conducts an appraisal of the property and issues a letter of commitment for the bank mortgage. These items are then forwarded to Erie County.
11. Upon receiving copies of the appraisal and bank commitment, Erie County will begin to prepare the grant check and closing documents.
12. Home buyer will list Erie County as a second mortgagee on homeowner's insurance policy.
13. Closing occurs (Erie County staff person attends closing).

10. Do you expect any change in your family/household size?
 No Yes (If yes, when?) _____ Anticipated new size: _____

11. Provide the requested information for all members of the household.

	<u>Full Name</u>	<u>Date of Birth</u>	<u>Relationship to Applicant</u>
1.	_____	_____	Applicant
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

10. **Required documents. The following is a list of questions that must be answered. Please provide photocopies of all documents that apply for each member 16 years of age and older that reside in your household.**

<u>TYPE OF INCOME</u>	<u>RESPONSE</u>
How many persons 16 years of age and older in your household are employed? Please list the gross weekly income and provide three consecutive pay stubs for each person.	
Have you filed an income tax return for the past year? If yes, please provide copies of same, along with W2 statements for the past year for all places of employment.	
Are you self-employed? If so, please indicate net income from past year, and provide copies of your complete Federal Income Tax Returns for the past three years.	
Do you receive any child support? If yes, please list the weekly amount and provide a copy of either your Divorce Decree or Court Order.	
Do you receive any alimony? If yes, please list the weekly amount and provide a copy of your Divorce Decree.	
Do you have a savings account? If yes, please list the current interest earned and provide complete pages of two consecutive months of same.	

Do you have a checking account? If yes, please list the current interest earned and provide complete pages of two consecutive months of same.	
Do you receive any form of Social Services (i.e., food stamps, welfare, rental assistance)? If yes, please list the monthly amount(s) and provide a copy of any award letter for same.	
Do you receive unemployment benefits and, if so, for how long? If yes, please list your gross weekly income and provide three consecutive benefit statements.	
Do you receive any disability/worker's compensation payments? If yes, please list the weekly amount and provide three consecutive statements.	
Do you receive Social Security Income or Supplemental SSI? If yes, please list your gross monthly income and provide a copy of your annual benefit statement.	
Do you receive Social Security Disability? If yes, please list your gross weekly income and provide copies of three consecutive statements.	
Do you receive any Veterans Administration payments? If yes, please list your gross monthly income and provide a copy of your annual benefit statement.	
Do you receive any retirement pensions/annuities ...,etc.? If yes, please list your gross annual income and provide a copy of your annual benefit statement.	
Do you have any money market funds, mutual funds, individual retirement accounts, 401K plans, KEOGH retirement plans and/or government bonds? If yes, please list the interest earned and provide copies of same.	
Have you received any dividends, credited or reinvested from ownership of any stocks or mutual funds? If yes, please list the amount and provide copies of same.	
Do you receive regular payments from an estate and/or trust fund? If yes, please list your monthly income and provide a copy of same.	

Acknowledgement

I hereby certify that the information provided in this application is true and correct to the best of my knowledge and contains no willful misrepresentations. I have received and have read a written description of the Erie County First Time Home Buyer Program along with the "Protect Your Family From Lead in Your Home" pamphlet provided to me. I agree to cooperate with Erie County Department of Environment and Planning in complying with all specified procedures.

I understand that any contract for purchasing a home financed in part by this Program will be between myself and the seller. I also understand that any home considered for this Program is subject to inspection and approval by the Department of Environment and Planning staff and funds made available through the Program are contingent upon the eligibility of the property under HUD guidelines. I also understand that the County Department of Environment and Planning will not be responsible or liable for any breach of contract, property defects and accidents or damage which may arise from my relationship with any seller, and that Erie County does not guarantee or warranty the condition of any home purchased with assistance through this Program.

I understand that any willful misstatement of material fact contained herein will be grounds for disqualification.

Applicant's Signature	Co-Applicant's Signature
Date	Date

**First Time Home Buyer loan funds are available to income-eligible applicants without regard to race, creed, color, national origin, sex, age, disability, familial status, handicap, or marital status.*

PLEASE RETURN THE APPLICATION AND ALL REQUIRED DOCUMENTS TO:

**Erie County Department of Environment & Planning
First Time Home Buyer Program
Ms. Ellary Mori, Housing Specialist
Edward A. Rath County Office Building
95 Franklin Street – Room 1063
Buffalo, New York 14202**

Fax: (716) 858-2733 (Attn: Ellary)

CONTRACT OF SALE ATTACHMENTS

The enclosed forms will need to be attached to the contract of sale when you find a house. The forms will need to be signed by both yourself and the seller(s) where noted, and then attached to the contract. Please share this information with your realtor, as you will need these forms when you place a bid on your home.

ERIE COUNTY DEPARTMENT OF ENVIRONMENT AND PLANNING

RIDER NO. 1

Purchaser has made application to the Erie County Department of Environment and Planning (DEP) for participation in the Erie County First Time Home Buyer Program. Notwithstanding any other provisions of the Contract of Sale, the Purchaser shall not be obligated to complete the sale should written approval of Purchaser's First Time Home Buyer Program application not be issued by the County within sixty (60) days after execution of the Contract of Sale. If approval has not been issued in sixty (60) days after execution of the Contract of Sale by all parties, then the entire deposit (less survey certification charge) shall be returned. The same shall apply if the First Time Home Buyer Program application approval is issued but later canceled or withdrawn without the fault of Purchaser.

Seller's Initial	_____	Date:	_____
Seller's Initial	_____	Date:	_____
Purchaser's Initials	_____	Date:	_____
Purchaser's Initials	_____	Date:	_____

Return this Form with the Contract of Sale

AUTHORIZATION FOR INSPECTION

I hereby grant a representative from the Erie County Department of Environment and Planning permission to inspect my property at _____, on behalf of _____ for the purpose of determining
(Applicant's Name)

compliance with (1) local code requirements, and (2) for housing constructed prior to 1978, the presence of deteriorated paint conditions(e.g. peeling). Inspection element is required to insure compliance with lead based paint regulations.

An appointment for this inspection may be made in my presence, or the presence of _____

Phone: _____

Signature: _____
(Seller)

Date: _____

Return this form with the Contract of Sale

Disclosure Format for Target Housing Sales
Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

_____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and reports available to the seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

_____ (c) Purchaser has received copies of all information listed above.

_____ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

_____ (e) Purchaser has (check one below):

Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

_____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller	Date	Seller	Date
_____	_____	_____	_____
Agent	Date	Agent	Date
_____	_____	_____	_____
Purchaser	Date	Purchaser	Date
_____	_____	_____	_____

EXHIBIT 4

Erie County First-Time Home Buyer Program

Completed for two-family houses and investor-owned properties only:

Buyer's Name _____

Address _____

Phone # _____

Seller's Name _____

Address _____

Phone # _____

Tenant's Name _____

Address _____

Phone # _____

Tenant's Name _____

Address _____

Phone # _____

ERIE COUNTY DEPARTMENT OF ENVIRONMENT & PLANNING

RELEASE OF LOAN INFORMATION

It is understood that should a Erie County First Time Homebuyer Loan be approved for my household, representatives from the Erie County Department of Environment and Planning may release information concerning loan balances, payment history, and filing information to lenders, attorneys, and other related financial institutions seeking said information for mortgage/lien subordinations and discharge purposes.

Signature (Purchaser)

Date

Return this form with the Contract of Sale

ERIE COUNTY SUBORDINATION OF MORTGAGE POLICY

It shall be the policy of Erie County to only subordinate Erie County Mortgages and liens securing housing loans in cases where the new loan serves to (1) enhance or improve the affordability of housing costs, (2) increase the home's value through repairs or renovations, (3) make payment of family medical and educational bills, or (4) other cases of extraordinary hardship (this is to be determined solely by the Department of Environment & Planning).

In order for Erie County to consider a subordination request, the following items are required:

- a) A Subordination Request Form from the homeowner;
- b) Lender Certification of Loan Terms Form;
- c) An Appraisal shall be submitted by either the lender or homeowner relative to the property in question.

Erie County will not subordinate mortgages/liens in cases where one or more of the following occurs:

- a) Purpose of new loan is not entirely targeted toward (1) enhancing or improving the affordability of housing costs, (2) increasing the home's value through repairs or renovations, (3) payment of family medical or educational bills, and (4) other cases of extraordinary hardship as determined by the Department of Environment and Planning.
- b) The new loan raises the interest rate more than 1% above the current loan.
- c) The owner is desirous of receiving cashout from the transaction.
- d) The new loan balance exceeds the existing loan balance (excluding reasonable lender's fees).
- e) The lender's upfront fees exceed 5% of the loan amount.
- f) The loan(s)-to-value ratio exceeds 95%.

Loan for Home Repair, Medical, Educational, or Extraordinary Hardship:

- a) The lender's fees cannot exceed 3% of the existing (existing loan means the loan that is currently recorded, not the loan that the client is currently working to secure) loan balance.
- b) The lender's fees can be rolled into the new loan.
- c) The loan-to-value ratio cannot exceed 95%.

I hereby acknowledge that I have read and understand the above information:

Applicant's Name

Signature

Date

Return this Form with the Contract of Sale