

City of Brockton

Brockton Redevelopment Authority
In partnership with
NeighborWorks Housing Solutions

First Time Homebuyers Program (FTHP)

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To submit an application contact:

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68 Legion Parkway
Brockton, MA 02301
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Brockton Redevelopment Authority

PROGRAM GUIDELINES

Our goal is to work with eligible first-time buyers with the purchase of a 1-2 family residential property to increase homeownership in the City of Brockton.

- Income eligible first-time homebuyers will be considered for a 0% interest-deferred payment loan equal to 3.5% of the purchase price (up to \$12,000) through the BRA secured by a Mortgage and Promissory note. In addition, NHS may provide additional funds up to 25% of the amount provided by the City (up to \$3,000).

Eligibility Criteria:

1. Household income (all sources) must not exceed the following gross annual limits:

Household Size (Number of Persons)							
1	2	3	4	5	6	7	8
\$51,800	\$59,200	\$66,600	\$74,000	\$79,950	\$85,850	\$91,800	\$97,700
80% of Area Median Income Limits Adjusted for Household Size. Source: HUD June 28, 2019							

2. Purchase price cannot exceed \$373,000 for an existing and \$411,000 for a new construction of single-family residence or \$478,000 for an existing and \$527,000 for a new construction of two-family residence; Program does not allow for the purchase of condos and three-units residential dwellings.
3. Property must be in the City of Brockton, although applicant does not have to be a current resident of Brockton. Local residents are given priority.
4. Applicant and his/her spouse must be a first-time homebuyer;
5. Neither applicant nor his/her spouse can have a deeded interest in any property in the past three years;
6. All household members must be legal residents of the United States in order to receive Federal housing assistance;
7. Neither applicant nor his/her spouse can have more than \$30,000 in cash assets (excluding 401K's, College Savings, and other retirement accounts);
8. Applicants must qualify for a conventional or government sponsored fixed interest rate mortgage with a lender of their choice*;
9. Applicants must contribute at least 1.5% of the purchase price to the down payment requirement for single family purchases and 2.5% for multi-family purchases;
10. Applicants must be the owner of the property after purchase;
11. Applicants must occupy the property as their principal residence;
12. Each applicant must complete an approved first time homebuyer training workshop and submit a First Time Homebuyer Program Certificate (visit www.chapa.org, www.buybrockton.org, and/or www.nhsmass.org if you need to sign up for a homebuyer class);
13. Each applicant must also complete an approved post purchase workshop and submit a Program Certificate to the BRA within one year after the closing. A list of Homebuyer Counseling Agencies will be provided by the BRA.

14. Applicants must agree to maintain property hazard insurance, make timely property tax payments, and perform general property maintenance and upkeep of the home;
15. The amount of assistance received should be used to bring the participant's housing-to-income ratio between 35-38% of gross monthly income. The PJ will consider providing subsidies to participants whose housing-to-income ratio exceeds 38% provided that their debt-to-income ratio does not exceed 50% of gross income and the senior lender details the compensating factors resulting in the loan approval. The said ratios will apply for both single-family and two-family purchases;
16. Property must meet federal, state and local housing quality standards and code requirements;

*For a list of local participating lenders please visit: <https://buybrockton.org/lenders-2/>

Applicants who do not meet all the requirements listed above are not eligible for assistance through this program.

Application Process

PLEASE READ THE FOLLOWING CAREFULLY

IF THERE ARE ANY CHANGES ANYTIME DURING THE APPLICATION PROCESS PLEASE NOTIFY THE BRA & NHS IMMEDIATELY!!!

STEP 1:

There will be a mandatory eligibility session for the Borrower at the initial phase of application submission. During this session the Borrower will be informed about the DPA Program requirements and procedures including but not limited to Income Calculation, Eligibility, Monitoring, FTHB Agreement items, Next Steps, Inspection List, etc. The Borrower will initial and execute a form stating that they reviewed and understood all the requirements of the FTHB-DPA Program per the HOME Program.

Submit the following documents to NeighborWorks by email, mail or in person (see front page of application for contact information).

- Completed FTHP Application (see page 5). *Signed and dated.*
- Two months of consecutive paystubs from everyone 18+ in the home receiving income.
- Documentation of all other sources of income (award letters for social security, pension, disability, etc.).
- Pre-Approval from Lender.
- Loan Application (also known as 1003 from lender).
- Accepted Offer to Purchase.

STEP 2:

Once the above documents are reviewed, if you look good for this program you will be asked to submit the following:

- Purchase & Sale Agreement (when available)
- Loan Estimate.
- Two months consecutive bank statements.
- Two years of most recent Federal Income Tax form 1040, complete copy with all schedules and W2's. If you are self-employed or incorporated, please provide financial statements for the past two years and Profit and Loss statement year to date.
- Three months of most recent rent receipts.
- First Time Homebuyer's Workshop Certificate for each borrower. If purchasing a 2-family home applicant must also provide a Landlord Training Certificate (visit www.chapa.org and/or www.nhsmass.org if you need to sign up for a landlord training class).
- Valid Driver's license for each applicant

STEP 3:

Once the intake process is complete, your file will be submitted to the Brockton Redevelopment Authority (BRA) to

confirm your eligibility. As soon as your eligibility has been confirmed, the BRA will issue a conditional letter of approval and contact you with the next steps, including scheduling of the HOME inspection.

STEP 4:

Post-Closing Process: When the closing docs are ready to be sent to the Closing Attorney (CA), a closing cover sheet will be provided to the CA with recording instructions and listing the documentations needed to be submitted.

In addition, a follow-up call will be made within 2-5 days after closing to collect any missing documents to complete the BRA's FTHB-DPA Program project file.

The post-closing call will be scheduled and coordinated by Zaias Andrade from the Brockton Redevelopment Authority.

HOME Inspection

The BRA will require a HOME inspection of the home to certify the dwelling is decent, safe, sanitary, and in good repair. Please note, the HOME inspection is in addition to any home inspection the lender requires. The fee for this inspection will be part of the total down payment assistance amount.

At a minimum, the home must meet all applicable Federal, State and local housing quality standards and code requirements, and the home must not contain any specific deficiencies as those proscribed by HUD in the Uniform Physical Condition Standards inspection procedures as pursuant to 24 CFR 5.705.

If the inspection does not meet HOME condition standards, rehabilitation work may also be undertaken before the house is purchased. The home must be rehabilitated before the sale and brought up to code and applicable standards, or otherwise, it cannot be acquired with HOME funds.

Properties built prior to 1978 must be visually assessed to identify and stabilize deteriorated paint. Properties with presence of lead-based paint hazards may be eligible for financing assistance for lead abatement services through NHS and through the BRA's Lead Program. To obtain more information regarding the Lead Abatement Program, please visit <http://nwsoma.org/home-owner-lending/lead-removal/>, and www.brocktonredevelopmentauthority.com.

If the property is in a FEMA designated special Flood Hazard Area, the homebuyer must purchase and maintain flood insurance for the life of the loan.

OTHER PROGRAM INFORMATION

Household Size

Income limits are adjusted by household size. To ensure that all prospective homebuyers who receive assistance are eligible, the BRA will need to determine the size of the applicants' household. As such, all persons in the household will be counted (including non-related individuals) with the following exceptions: foster children, foster adults, live-in aides; and children of live-in aids.

Household Income

The BRA will also need to determine the annual income of all eligible household members to ensure eligibility of all prospective homebuyers who receive assistance. When determining the household annual income, the BRA must count the income of **all** eligible household members (including nonrelated individuals). All eligible household members are required to provide at least two months of source documentation for verification of income.

The Brockton Redevelopment Authority uses the Part 5 Section 8 rules for calculating gross income, found at 24 CFR Part 5 Subpart F, Income Limits. These rules specify what forms of income should be included and what should be excluded. The BRA will re-examine the household's income if more than six months has elapsed since

eligibility was first determined. The BRA utilizes the *Technical Guide for Determining Income and Allowances Under the HOME Program* to ensure compliance with household size determination.

When purchasing a multifamily (two-units) residential dwelling, the BRA will utilize 70% of the rental income ONLY to help the buyer/borrower meet the program's housing-to-income and debt-to-income ratios (if needed).

Household Assets – (\$30,000 cap) What assets may be included?

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For Savings accounts use the current balance. For checking accounts, use the average 6-month Balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.
4. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.

What assets are excluded?

1. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
2. Assets not accessible to and that provide no income for the applicant.
3. Assets that are part of an active business.
4. Retirement accounts such as 401(k), 403(b), 457 and IRA accounts.
5. Government approved college savings plan.

Homebuyers should have some residual savings left over after closing especially on a very low-down payment mortgage to borrowers with high total debt ratios.

Principal Residence

Homebuyers assisted through this program must occupy the property purchased as their principal residence throughout the life of the loan. This requirement is enforced through a mortgage between the BRA and the assisted homebuyer which the BRA records with the Plymouth County Registry of Deeds. If the HOME assisted property ceases to be the homebuyer's principal residence at any time, the HOME loan must immediately be repaid in full to the BRA. The BRA will periodically request that the homebuyer provide documentation of proof of owner-occupancy. The BRA will monitor the requirement of principal residency annually.

Monitoring

The BRA will monitor annually both the homebuyers and the home to ensure compliance to program requirements including, but not limited to, the following:

- Owner-occupancy
- Property tax payments
- Hazard insurance coverage
- Good standing on first lender loan
- General upkeep of housing unit
- Property inspections
- Affirmative Fair Marketing
- Post purchase workshop/counseling

City of Brockton
First Time Homebuyer Down Payment Assistance
PROGRAM APPLICATION

APPLICANT #1: (Circle) Mr. Mrs. Ms. How did you hear about program? _____ Veteran ____ Yes ____ No

First Name Middle Last Name Social Security Number Date of Birth

Current Address City State ZIP Phone # Email Address

Job (1) Employer Name Address Phone # How long at job

Job (2) Employer Name Address Phone # How long at job

APPLICANT #2: (Circle) Mr. Mrs. Ms. Veteran ____ Yes ____ No

First Name Middle Last Name Social Security Number Date of Birth

Current Address City State ZIP Phone # Email address

Job (1) Employer Name Address Phone # How long at job

Job (2) Employer Name Address Phone # How long at job

NEW PURCHASE PROPERTY INFORMATION (when available):

Street # Street Name City Zip Code

Single-Family Multi-Family If Multi, # units _____

REALTOR: Contact Name Phone Cell Phone Email

LENDER: Contact Name Phone Cell Phone Email

HOUSEHOLD INFORMATION <i>(include yourself on this list)</i>		Relationship to Applicant	College Student Y/N	Annual Income
NAME:	D.O.B.			
		self		

FOR STATISTICAL PURPOSES ONLY

Race (Enter appropriate number in household): ___ White/Non-Hispanic ___ African American ___ Hispanic/Latino ___ Other

CURRENT HOUSING SITUATION: (Circle) OWN RENT LIVE W/ FAMILY OR FRIENDS

Monthly Rent Amount: \$ _____ Monthly Utilities Amount: \$ _____

LIST ALL CURRENT DEBTS:

	Lender	Minimum Monthly Payments	Balance
1. Car Loan	_____	\$ _____	\$ _____
2. Personal Loan	_____	\$ _____	\$ _____
3. Student Loan	_____	\$ _____	\$ _____
4. Credit Card	_____	\$ _____	\$ _____
5. Credit Card	_____	\$ _____	\$ _____
6. Other	_____	\$ _____	\$ _____
7. Other	_____	\$ _____	\$ _____

LIST ALL CURRENT ASSETS:**Interest Rate**

- | | | |
|--|---------|----------|
| 1. Checking Account Balance | | \$ _____ |
| 2. Savings Account Balance | | \$ _____ |
| 3. Mutual Funds, Bonds & Annuities | _____ % | \$ _____ |
| 4. Certificates of Deposit | _____ % | \$ _____ |
| 5. Cash Value of Life Insurance Policies | | \$ _____ |
| 6. Retirement and Pension Funds (current cash value) | | \$ _____ |
| 7. Value of Stocks | | \$ _____ |
| 8. Cash value from Trust | | \$ _____ |
| 9. Investments such as jewelry, antiques cars, collections | | \$ _____ |
| 10. Inheritances, lottery winnings, capital gains, insurance settlements | | \$ _____ |
| 11. Mortgages or deeds held by applicants | | \$ _____ |

Has either the Applicant or Co-applicant owned Real Estate before? Yes ___ No ___

CERTIFICATION OF THE APPLICANT(S)

I, the undersigned, as part of my application for the City of Brockton First Time Homebuyer Down Payment Assistance Program in connection with a purchase of a 1-2 family home and an application for a mortgage loan from a lender of my choosing, do hereby state that I have carefully reviewed this document. I certify and acknowledge that this application, as completed above, will be relied on for determining my eligibility for a FTHP Loan. I acknowledge that a material misstatement knowingly made by me in this application for a down payment assistance loan will constitute a violation punishable by a fine and possible criminal penalty imposed by law and will result in the cancellation or revocation of the Loan. I further acknowledge that any fraudulent use of any instrument, facility, article, or other valuable thing or service pursuant to my participation in the down payment assistance program is punishable by fine.

Each applicant must make the following certifications:

1. Both my spouse and I are first-time homebuyers. Neither one of us has had an ownership or interest in a residential property within the three years immediately preceding the date of this application. We do not and will not have an ownership interest in a residence prior to the date of the loan closing.
2. The Residence will be occupied and used as our principal place of residence and will not be used as an investment property, vacation home or recreation home.
3. We have received a copy of the FTHP Program Guidelines and understand these Guidelines.
4. All household members have received a copy of the pamphlet "Protect Your Family from Lead In Your Home".

APPLICANT #1

DATE

APPLICANT #2

DATE

***Incomplete applications will result in delay in processing**

We do business in accordance with federal fair lending laws. Under the federal fair housing act, it is illegal, on the basis of race, color, national origin, religion, sex, handicap, or familial status (having children under the age of 18), to: deny a loan for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling, or deny any loan secured by a dwelling; or discriminate in fixing the amount, interest rate, duration, application procedures or other terms or conditions of such a loan, or in appraising property. We are pledged to the letter and spirit of U.S. Policy for the achievement of Equal Housing Opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.