

CITY OF CHARLOTTE
COMMUNITY HEROES HOMEOWNERSHIP PROGRAM
INNOVATIVE HOUSING
 Loan Submission forms

Please fill in all information completely

Date: _____

Lender Name: _____

Lender Address: _____

Contact Name(s): _____

Phone Number: _____

Email Address(s): _____

In conjunction with the City of Charlotte's Housing Subsidy Programs, we are hereby making application for the Charlotte Community Heroes program:

Program 3 - Criteria: 80.01% - 120% of Area Median Income

Family Size

% of Area Median Income	Family Size							
	1	2	3	4	5	6	7	8
80.01% (lower income limit)	\$44,251	50,601	\$56,901	\$63,201	\$68,301	\$73,351	\$78,401	\$83,451
110%	\$60,850	\$69,500	\$78,200	\$86,900	\$93,950	\$100,850	\$107,800	\$114,750
120% (upper income limit)	\$66,360	\$75,840	\$85,320	\$94,800	\$102,480	\$110,040	\$117,600	\$125,160

- Maximum purchase price for new or existing homes - \$300,000
- Must be employed as one of the following:
 - Public School Teacher
 - Law Enforcement Officer
 - Firefighter
 - Other First Responders (EMT, MEDIC)

If there are any questions on the completion of this submission package, please call HouseCharlotte at 704-705-3999 or email us at HouseCharlotte@cmhp.org. Submit completed forms and all related documents to HouseCharlotte/The Housing Partnership via SharePoint System or to 4601 Charlotte Park Drive, Suite 350 Charlotte, NC 28217.

- A. Borrower Name(s) _____
B. Borrower Email(s) _____
C. Property Address _____
D. Funds Requested \$ _____
E. Date Check Needed _____ Closing Date _____
F. Closing Attorney _____
Firm Complete Name _____
Address _____

Contact Name, Phone Number & E-Mail _____

G. **Please submit copies of the following documents for approval:**

- Loan Application - signed by borrower(s)
o Asset information must be completed
o If borrower has child care expenses, please include this information
- Income: Salaried or hourly employee - most recent 60 day pay stubs & last year's W-2(s).
Must provide documentation that clearly shows borrower(s) is employed as one of the eligible employees.
o Self- Employed or 1099 employee - 2 years tax returns to include all schedules
o Social Security, Child Support, & other non-wage earner income, etc. - Award letter and 3 months proof of receipt
o **Income documentation required for all household members.** If no source of income, those 18 years or older must provide the signed **HouseCharlotte Household Income Eligibility Form**
- Sales Contract – Fully executed with **all addendums**. Include copy of EMD & DD fees
- Appraisal with visible photos of the property
- Lender's signed Commitment or Preapproval letter (include rate, term, loan and/or purchase price)
o Signed Commitment or Preapproval Letter for any other Subordinate Financing (showing agency/institution name and amount received/approved)
- Loan Estimate Disclosure (rate locked through closing date) - **Must match the 1003 rate, term and loan amount**
- ID – Visible, unexpired copy of the drivers license or state ID
- If applicable, a copy of the **Recorded** Separation Agreement, Free Trader Agreement or Divorce Decree
- Pre-Purchase Homebuyer's Education Certificate – Valid for 1 year
- 1-on-1/Face-to-Face Counseling Certificate

*****File is considered incomplete until all of the above listed items are received. Submitting an incomplete file will delay loan closing.*****

The following will be needed prior to closing:

- Certificate of Occupancy or Pass City HouseCharlotte Code Inspection Report
- Final Appraisal, when applicable
- Proof of Hazard Insurance with the following verbiage: **City of Charlotte Finance Department
600 East 4th Street, Charlotte, NC 28202**

LENDER CERTIFICATION – THE FOLLOWING STATEMENTS MUST BE ACKNOWLEDGED AND SIGNED

I hereby certify that the proceeds of the City of Charlotte's Assistance will be used in accordance with the Housing Subsidy Programs approved by City Council on March 24, 1997, revised July 1, 2001. The information provided on behalf of the borrower is true and accurate to the best of my knowledge. I understand that false information will be grounds for disqualification.

I certify that the first mortgage we intend to make:

- will be sold to Fannie Mae will not be sold to Fannie Mae

I acknowledge that the borrower certifies that they:

- have received HouseCharlotte funds before have never received HouseCharlotte funds before

Authorized Signature: _____

Housing Subsidy Worksheet

Note: Total Cost of House Minus Total Financing of House = Gap

Name			
Property Address			
Household Income (Yearly)	\$	Percent of Median Income	%
Family Size		Number of Children	
Borrower (s) Income (Yearly)	\$		
Costs	A. Contract Selling Cost of House		\$
	B. 1. Closing Costs and Prepaid Amounts		\$
	2. Homebuyer Counseling/Education (must be listed on LED)		\$
	3. Points		\$
	4. MIP/PMI/Funding Fee/		\$
	(City use - do not write in this section)		\$
	Sub-Total of B (Add B1,2,3,4)		\$
	C. Total House Purchase Costs (Add A and B Sub-Total)		\$
Financing	D. Bank Loan Approval _____% (including MIP)		\$
	E. Borrower paid fees - personal funds (only include earnest money, due diligence fee and POC's.)		\$
	F. Seller Paid Costs and/or Lender Paid Costs		\$
	G. Community Heroes Grants/Additional DPA Loans (Please list agency/Institution name and amount. Does not include HC Loan.)		\$
	H. Sub-Total Financing (Add D-G)		\$
	I. Gap (Subtract H from C) (Funds requested by Lender will be applied to 1 st Mortgage Principal Reduction, down payment, closing costs, and Homebuyer Counseling/Education)		\$
	(City use - do not write in this section)		\$

The "Gap" is equal to the subtraction of the sub-total financing (H) from the total house purchase (C). City down payment assistance under House Charlotte is:
 - up to \$22,500 - Program 3

**CITY OF CHARLOTTE COMMUNITY HEROES
INNOVATIVE HOUSING PROGRAM
WRITTEN AGREEMENT WITH RECAPTURE PROVISIONS**

This Agreement regarding an INNOVATIVE HOUSING subsidy (the "Agreement"), dated as of _____, is made and entered into by and between the City of Charlotte (the "City"), pursuant to the Innovative Housing Program and the House Charlotte Program of the City of Charlotte, and _____ the Homebuyer(s) ("Borrower").

Property Address: _____

i. Agreement

As required by the INNOVATIVE HOUSING Program, this Agreement between the City and the Borrower identifies the INNOVATIVE HOUSING Program requirements. The funds provided for the purchase of the Qualifying Home are INNOVATIVE HOUSING Funds not to exceed the amount of \$ _____. Therefore, and as a condition to participation in that program, Borrower makes the following additional covenants, representations and warranties:

A. Use of INNOVATIVE HOUSING Funds

1. **INNOVATIVE HOUSING funds are being provided in the form of a loan.** A loan provided under the City's HouseCharlotte down payment assistance program is a second (third or fourth, whichever is applicable) mortgage. **The funds are provided through a 10-year, deferred and forgivable loan. No payment is due in any given year unless property is sold, transferred, a change in ownership or occupancy status occurs or cash out refinance takes place. Specific loan terms are outlined in the Promissory Note and Deed of Trust.**
 - a. **10-year term** - deferred for year's one through five and then forgiven at the rate of 20% per year for years six through ten.
2. Use of Loan Proceeds; Purchase Price. Borrower agrees that the INNOVATIVE HOUSING Funds shall be used solely to pay down payment or closing costs of a Qualifying home. Borrower represents and warrants that:
 - a. Borrower is purchasing the Qualifying Home in good faith for use as the principal residence of Borrower;
 - b. Borrower does not have any arrangement or understanding involving the intended resale, lease, or other transfer of the Qualifying Home by the Borrower; and
 - c. The total purchase price of the Qualifying Home is \$ _____ and does not exceed the maximum purchase price limit of **\$300,000 for existing properties or \$300,000 for new construction properties.**
3. Deadline for Completion of Purchase and Occupancy. Borrower agrees that the home purchase funded in part with INNOVATIVE HOUSING funds be completed no later than 90 days after the date of this Agreement, and that the City shall have no obligation to make any disbursement if the purchase is not completed by that date. Borrower shall occupy the qualifying home as Borrower's principal residence no later than 90 days after the date of the Deed of Trust.

B. Affordability

1. Income and other restrictions. Purchasing families must comply with all House Charlotte guidelines. Family incomes may not exceed 120% of area median income as determined by HUD for the program year.
2. Affordability Period. At all times during the affordability period, the property or any portion thereof may not be sold, transferred or conveyed **except** to households with income of 120% or below of the Charlotte Area Median Income as reported from time to time by the Department of Housing and Urban Development (HUD), or other reasonably equivalent data in the event such reports are no longer issued, and shall be subject to compliance with the Program and the Program Guidelines.
Affordability Period. **Borrower understands the affordability period of this INNOVATIVE HOUSING agreement shall begin on the date of signing the deed of trust and Promissory Note, and shall end ten years from this date.**
3. City of Charlotte Council members has approved to extend the Length of the Affordability Period for the following programs below.

15Years	Charlotte Community Heroes Program From the date of the loan.	\$22,500
---------	--	----------

4. Borrower Principal Residence. Borrower understands that funds are provided under a City-funded down payment assistance program, using funds available under the City's INNOVATIVE HOUSING program. Borrower understands the intent of the program is to provide assistance to the eligible homebuyers only so long as it is their principal residence.
5. Recapture Provisions. **Borrower agrees that if at any time during the Affordability Period the Qualifying Home is not their principal residence or is transferred either through sale, foreclosure, or other event the City of Charlotte shall have the right to require Borrower to pay in full all amounts owed on the Promissory Note, including principal and accrued interest, on thirty (30) days' notice.** This is known as recapture.
 - a. "Amount to be Recaptured." In the event of recapture, the City shall collect from net proceeds all INNOVATIVE HOUSING Funds, including outstanding principal plus interest as outlined in the loan documents.
 - b. Amount to be recaptured if net proceeds are Insufficient. In the event that net proceeds are insufficient to repay the INNOVATIVE HOUSING funds, including principal plus interest, the amount to be recaptured shall be any funds remaining after payment of all senior non- INNOVATIVE HOUSING debt and closing costs. In no event shall the borrower be required to use funds other than net proceeds to repay the INNOVATIVE HOUSING Funds.

II. Definitions

A. "Agreement" means a document to comply with the regulations at 24 CFR Section 92.254.

B. "Deed of Trust" means a deed of trust securing a lien on the property.

- C. "Eligible Homebuyer" means one or more adult members of a Household who sign the Deed of Trust, related Promissory Note and other documents required for a second mortgage, who have completed a homebuyer education program, and whose Household has an Annual Income (as of the date of signing the purchase agreement in the case of new home being constructed, or as of the date of purchase in the case of an existing home) that does not exceed the lesser of:
1. one hundred and ten percent (120%) of the median family income for the City of Charlotte's Metropolitan Statistical Area, as then most recently published by HUD, adjusted downward in the case of a Household size of less than four persons, and adjusted upward in the case of a Household size of more than four persons, in each case by the same percentages as are applied by HUD to adjust eligible income levels for occupancy of public housing; and
 2. the maximum income level permitted by federal regulations applicable to loans of INNOVATIVE HOUSING Funds for homebuyer assistance.
- D. "Household" has the meaning set forth for "family" in 24 CFR Section 5.403, or successor provision, and includes an individual person.
- E. INNOVATIVE HOUSING "" means the City's INNOVATIVE HOUSING Program.
- F. "INNOVATIVE HOUSING Funds" means funds derived from the City of Charlotte's to the Housing & Neighborhood Services under INNOVATIVE HOUSING, including program income as defined in HUD regulations for The House Charlotte Program.
- G. "HUD" means the United States Department of Housing and Urban Development or any successor to its functions.
- H. "Loan Documents" means, with respect to any loan, each original document evidencing or securing the loan (or any part thereof), and all documents incidental or collateral to the loan, including without limitation, the Note or Notes evidencing the loan, the Deed of Trust, each guarantee securing the loan, all applications, loan commitments, reports, security and loan agreements, disclosure statements, appraisals, loan settlement statements, title evidence, title insurance, hazard insurance, flood liability insurance, and all other insurance policies and any assignments thereof, correspondence applicable to the loan, and all other documents relating to the loan, all as the same may be amended, and all such documents or instruments subsequently executed and delivered.
- I. "Modest Housing" means the housing has a purchase price for the type of single-family housing that does not exceed the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)), as provided annually by the Greensboro Office of HUD.
- J. "Net Proceeds" Net Proceeds shall be calculated as either:
1. the gross sales price of the Property less any debt senior to this Loan; and actual and reasonable costs of sale paid by the Seller including; real estate commissions, real property excise tax paid by the Seller, escrow fees, recording fees, reasonable attorneys' fees, title insurance, and title insurance premiums, paid by the Seller; or, at the option of the Holder
 2. the value of the Property at the time of the Occurrence as determined by an appraiser chosen by Holder less any debt senior to this Loan; and actual and reasonable costs of sale paid by the Seller including, real property excise tax paid by the Seller, escrow fees, recording fees, reasonable attorneys' fees, title insurance, and title insurance premiums, paid by the Seller.

K. "Qualifying Home" means a legal dwelling unit in the City of Charlotte that, as of the date of purchase by an Eligible Homebuyer:

1. is "Modest Housing"; and
2. satisfies the City of Charlotte's minimum housing code as it applies to owner-occupied units, satisfies federal Housing Quality Standards as defined in 24 CFR Section 982.401; and
3. may legally be sold separately from any other dwelling unit or structure, whether as a separate lot or condominium unit; and
4. where a dwelling unit is an existing new or pre-owned site-built detached single-family residence, condominium or modular/manufactured housing unit with a permanent foundation assembled on-site in a place in compliance with zoning and City ordinances that meets the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. (excludes double-wide or single-wide trailers transferred to lot in one or two parts on easel with wheels) or townhome on its own lot, the "qualifying home" includes such lot and any appurtenances. Where a dwelling unit is a condominium unit, the "qualifying home" includes all rights in common elements and other rights appurtenant to the condominium unit.

III. Additional Agreement

The provisions stated above are in addition to those contained within the loan documents and do not in any way abrogate City's rights contained within the loan documents.

IV. Enforcement Responsibility

The borrower acknowledges that the INNOVATIVE HOUSING funds are being provided by the City of Charlotte through the INNOVATIVE HOUSING Program and that as the administrator and provider of such funds, the City has overall responsibility for the enforcement of the City of Charlotte INNOVATIVE HOUSING regulations and for the collection of funds due under this Agreement.

BORROWER(S):

Signature

Signature

Date

Date

Witness:

Signature

Printed Name