

Section II. LHAP HOUSING STRATEGIES:

A. Emergency Repair

- a. **Summary of the Strategy:** SHIP funds will be made available to homeowners for emergency repairs to their residence. Emergency repairs include, but are not limited to, septic, roof, well, wiring and/or plumbing repairs or replacement, and installation of ramps or handicap accessible bathrooms which require immediate attention and will make the residence more accessible for persons who have special housing needs, such as the elderly and persons with disabilities.
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, Low and Moderate Income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a mortgage and note. Loans will be made based on the cost of the repairs and the ability to repay, with a maximum term of twenty years. If the cost of the Emergency Repair is \$1,500 or less, the assistance will be in the form of a grant. The loan, along with any other mortgages on the property, can not exceed 105% of the market value as listed on the property appraiser's website. An applicant may produce an appraisal that is one year old or less at their own expense in order to show the value of the property is greater than the value listed by the property appraiser's website. Refinancing with the purpose of achieving greater affordability such as lowering the interest rate, reducing the number of years of the original mortgage, and adding living space due to an increase in household size, ~~and debt consolidation~~ will be approved on a case-by-case basis, one time only. The loan must be in good standing for a minimum of two years and the homeowner must not receive any cash back as part of the refinance. The homeowner may repay the loan in full without penalty. All funds repaid to Sumter County shall be considered "program income" as defined in S.S. 420.9071(24).
Default of the loan occurs if the original owner of said mortgage or note no longer lives in the home or it is not the owner's primary residence, or title is transferred, voluntarily or by operation of law which includes but is not limited to foreclosure or death. In the case of death of the homeowner, a relative who qualifies within the current income guidelines may continue making payments as stated in the loan. Default requires immediate repayment of the SHIP loan in full. The County reserves the right to foreclose if payment is not made.
~~In the event of financial hardships including, but not limited to, serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, large monthly mortgage increase due to terms of adjustable loan, military deployment or job loss that was not the fault of the recipient, the County, at the County's option, will research will verify the hardship on a case by case basis and may defer or waive the repayment requirements, depending on the recipients' ability to repay the loan.~~
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of SHIP funds. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. If a waiting list exists and the projected wait time for assistance is more than two years, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed SHIP application to the Sumter County Housing Department for

determination of income eligibility at any time, unless the waiting list is closed. Verification of all types of income and assets will be obtained and reviewed. Applicants will be assessed for credit worthiness and ability to repay the loan. The loan for repairs and all other fixed monthly payments the homeowner has incurred can not exceed 43% of the annual gross income. The applicant must give permission to have a credit report pulled. Applicants must have acceptable credit which includes, but is not limited to, bankruptcies that are discharged for at least one year, history of timely payments for at least one year on all reported credit obligations and property taxes and mortgage must be current. All judgments must be paid and satisfactions recorded in order to receive assistance. Medical bills and bad debt that are older than three years will not be considered. The Housing Department may review individual credit situations and waive these requirements in cases where the client is in a repayment agreement for the bad debt or has worked out an agreement with a counseling agency, such as Consumer Credit Counseling Services and the counseling agency agrees the applicant can afford to take on the additional debt of the loan for repairs.

- g. **Sponsor Selection Criteria and duties, if applicable:** None
- h. **Additional Information:** SHIP assistance will only be provided for homes that are owner-occupied and used as the primary residence. Proof of Homestead Exemption is required. Properties must meet local codes, including zoning regulations. The home must be in good condition other than the emergency repair needs. If more than 60% of the home is determined in need of repair, the recipient will not be eligible for assistance. Applicants will be encouraged to apply for the Rehabilitation/Replacement Strategy if the waiting list is open. Recipients of SHIP emergency repair funds will be eligible for the Emergency Repair Strategy one time only, except in the case of a county, state or federal disaster. Mobile homes manufactured before 1994 are not eligible for SHIP funds. Only 20% of total SHIP funds can be used to assist mobile home owners. Priority will be given to site built homeowners to meet this requirement. Homes are not eligible for assistance if the value exceeds the maximum sales price as listed on the Housing Delivery Goals Chart for existing homes. Recipients will not be eligible for any housing program if there are any funds owed to the Housing Department, except for a county, state or federal disaster on a case-by-case basis.

B. Rehab/Replacement

- a. **Summary of the Strategy:** SHIP funds will be made available to homeowners for rehabilitation or replacement of their existing residence that are needed for safe and sanitary habitation, correction of substantial code violations or the creation of additional living space due to an increase in family size. If the cost of repairs exceeds 80% of the value of the home according to the property appraiser's market value, the housing rehab inspector will recommend the home for replacement. The applicant will not have to apply for new construction as the Housing Department will move the application from rehab to replacement based solely on the inspector's recommendation. Temporary Relocation Assistance will be provided up to \$1,000 to cover costs of storage and temporary housing.
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, low and moderate income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a mortgage and note. Loans will be made based on the cost of the repairs and the ability to repay with a maximum term of forty years. The cost of temporary relocation assistance will not be included in the mortgage and note, but will be included in the maximum amount of assistance for rehabilitation. If the cost of the Rehabilitation is \$1,500 or less, the assistance will be in the form of a grant. The loan, along with any other mortgages on the property, can not exceed 105% of the market value as listed on the property appraiser's website. An applicant may produce an appraisal that is less than three years old at their own expense in order to show the value of the property is greater than the value listed by the property appraiser's website. Refinancing with the purpose of achieving greater affordability such as lowering the interest rate, reducing the number of years of the original mortgage, adding living space due to an increase in household size, and debt consolidation will be approved on a case-by-case basis, one time only. The loan must be in good standing for a minimum of two years and the homeowner must not receive any cash back as part of the refinance. All payments listed on the HUD settlement statement must be paid directly to creditors. The homeowner may repay the loan in full without penalty. All funds repaid to Sumter County shall be considered "program income" as defined in s. 420.9071(24).
Default of the loan occurs if the original owner of said mortgage or note no longer lives in the home or it is not the owner's primary residence, or title is transferred, voluntarily or by operation of law which includes but is not limited to foreclosure or death. In the case of death of the homeowner, a relative who qualifies within the current income guidelines may continue making payments as stated in the loan. Default requires immediate repayment of the SHIP loan in full. The County reserves the right to foreclose if payment is not made.
~~In the event of financial hardships including, but not limited to, serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, large monthly mortgage increase due to terms of adjustable loan, military deployment or job loss that was not the fault of the recipient, the County, at the County's option, will research the hardship on a case by case basis and may defer or waive the repayment requirements.~~
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of

SHIP funds. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. If a waiting list exists, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed. Verification of all types of income and assets will be obtained and reviewed. Applicants will be assessed for credit worthiness and the ability to repay the loan. The loan for repairs and all other fixed monthly payments the homeowner has incurred can not exceed 43% of the annual gross income. The applicant must give permission to have a credit report pulled. Applicants must have acceptable credit which includes, but is not limited to, bankruptcies that are discharged for at least one year; history of timely payments for at least one year on all reported credit obligations, property taxes and mortgage must be current. All judgments must be paid and satisfactions recorded in order to receive assistance. Medical bills and bad debt that are older than three years will not be considered. The Housing Department may review individual credit situations and waive these requirements in cases where the client is in a repayment agreement for the bad debt or has worked out an agreement with a counseling agency, such as Consumer Credit Counseling Services and the counseling agency agrees the applicant can afford to take on the additional debt of the loan for repairs.

- g. **Sponsor Selection Criteria and duties, if applicable:** None
- h. **Additional Information:** SHIP assistance will only be provided for homes that are owner-occupied and used as the primary residence. Proof of Homestead Exemption is required. Properties must meet local codes, including zoning regulations. Rehabilitation includes repairs or improvements which are needed for safe and sanitary habitation, correction of substantial code violations (does not include trash, debris, lawn maintenance or yard clearing) or the creation of additional living space. If more than 80% of the home is determined in need of repair by the housing inspector, the residence will be automatically be placed on the waiting list for replacement. Recipients of Rehab/Replacement funds will be not be eligible for any other housing assistance for a period of fifteen years, except in the case of a county, state or federal disaster. Mobile homes manufactured before 1994 are not eligible for SHIP funds. Homes are not eligible for assistance if the value exceeds the maximum sales prices as listed on the Housing Delivery Goals Chart for existing homes. Recipient will not be eligible for any housing program until all funds are paid in full, except for a county, state or federal disaster on a case-by-case basis.

C. Down Payment Assistance

- a. **Summary of the Strategy:** SHIP funds will be made available to support down payment and closing costs for the purchase of a single family residence on a one time basis. Funds may be used to pay all related costs attributable to the purchase of a home including, but not limited to, land, site development, certain infrastructure expenses, materials, labor, permitting, impact fees, and closing costs.
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, low and moderate income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a second mortgage and note. The maximum term of the loan is twenty years. The loan, along with any other mortgages on the property, can not exceed 105% of the appraised value of the property with improvements. Refinancing with the purpose of achieving greater affordability such as lowering the interest rate, reducing the number of years of the original mortgage, adding living space due to an increase in household size, and debt consolidation will be approved on a case-by-case basis, one time only. The loan and first mortgage must be in good standing for a minimum of two years and the homeowner must not receive any cash back as part of the refinance. All payments listed on the HUD settlement statement must be paid directly to creditors. The homeowner may repay the loan in full without penalty. All funds repaid to Sumter County shall be considered “program income” as defined in s. 420.9071(24).
Default of the loan occurs if the original owner of said mortgage or note no longer lives in the home or it is not the owner’s primary residence, or title is transferred, voluntarily or by operation of law which includes but is not limited to foreclosure or death. In the case of death of the homeowner, a relative who qualifies within the current income guidelines may continue making payments as stated in the loan. Default requires immediate repayment of the SHIP loan in full. The County reserves the right to foreclose if payment is not made.
~~In the event of financial hardships including, but not limited to, serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, military deployment or job loss that was not the fault of the recipient, the County, at the County’s option, will research the hardship on a case by case basis and may defer or waive the repayment requirements.~~
- f. **Recipient Selection Criteria:** To qualify, applicants must not have owned a home (including a mobile home that is attached to the property and/or has homestead exemption for tax purposes) within the last three years. Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of SHIP funds. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. If a waiting list exists, new applicants will be added to the existing list by date and time of application. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed due to lack of funds. Verification of all types of income and assets will be obtained and reviewed. Applicants will be assessed for credit worthiness and the ability to repay the loan. The loan for down payment assistance, first mortgage and all other fixed monthly payments the homeowner has incurred can not exceed 43% of the annual gross income. The applicant must give permission to have a credit report pulled. Applicants must have acceptable credit which includes, but is not limited to,

bankruptcies that are discharged for at least one year, history of timely payments for at least one year on all reported credit obligations, and all judgments must be paid off. Medical bills and bad debt that are older than three years will not be considered. The Housing Department may review individual credit situations and waive these requirements in cases where the client is in a repayment agreement for the bad debt, the first mortgage holder deems in writing the applicant has the ability to repay the first and subordinate mortgages or the applicant has worked out an agreement with a counseling agency, such as Consumer Credit Counseling Services and the counseling agency agrees the applicant can afford to take on the additional debt of the second mortgage.

- g. **Sponsor Selection Criteria and duties, if applicable:** None
- h. **Additional Information:** SHIP assistance will only be provided for the purchase of homes that will be owner-occupied and used as the primary residence. Mobile homes manufactured before 1994 are not eligible for SHIP funds. Recipients of Down Payment Assistance funds will not be eligible for any other SHIP assistance for a period of fifteen years if all funds due the Housing Department are paid in full, except for a county, state or federal disaster on a case-by-case basis.
- i. **Lender Participation:** Participating lenders must have affordable housing underwriting criteria with guidelines available for review and approval by Sumter County, and must submit a firm loan commitment, including the GFE 2010, which clearly contains the dollar amount of the loan, anticipated interest rate and all terms and conditions.
- j. **Lending Parameters:** The interest rate shall not exceed the Federal National Mortgage Association (FNMA) 60-day yield at the time of lock, plus one percent. The term of the loan shall be a maximum of 30 years (except for USDA and VA loans) with a fixed interest rate.
- k. **Fees:** Total adjusted origination charges to the buyer may not exceed 2% of the loan value:

The maximum allowable fees to the borrower with the exception of PMI, FHA insurance and USDA Rural Development guarantee insurance are listed in the following table:

<u>Type of Fee</u>	<u>Maximum Allowable Charge</u>
Appraisal	\$450 480
Appraisal Re-certification	\$100
Credit Report	\$30 per person (<u>up to 2 times if a loan is in process more than 90 days</u>)
Final inspection	\$100
Flood Certification	\$35
Lender's inspection	\$400
Notary	\$10
Home Inspection	\$250
Recording fees	Per County regulation
Roof inspection	Prevailing vendor cost (must attach bill)
Termite inspection	Prevailing vendor cost (must attach bill)
Survey	Prevailing vendor cost (must attach bill)
Tax service	\$125* or as changed by USDA/FHA/VA

1. **Loan-To-Value/Back End Ratios:** Where SHIP funds are being used in combination with a first mortgage that meets the above guidelines, the combined loan to value (LTV) ratio of all mortgages cannot exceed 105% of the appraised value of the home to be purchased. The borrower's debt-to-income ratio including principal, interest, taxes and insurance after purchase of the home cannot exceed 43%. Exceptions are allowed on a case-by-case basis if there are significant compensatory factors which can be documented by the lender. Those compensatory factors include, but are not limited to, an increase in annual gross income in excess of ten percent due to a job change, salary/wage increase, or a like increase in assets while still maintaining eligibility. The value of deferred loans such as student loans must be included in calculating the debt to income ratio. Expected increase in Social Security or other benefits may not be included.

D. **Disaster Mitigation**

- a. **Summary of the Strategy:** SHIP funds will be used for repairs of existing housing units damaged from any natural, State, Federal, and/or man made disaster declared by Executive Order if SHIP funds are available. Funds will be used to protect owner-occupied homes from damage through temporary measures such as tree removal preceding roof repair, or use of plastic sheeting preceding window replacement. It may also be used for repairing structural damage, roof repair or replacement, demolition costs, and retrofitting activities such as waterproofing and/or elevating the structure. These funds may be used as a match for other forms of disaster assistance.
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, low and moderate income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a 0% deferred payment mortgage for ten (10) years. Recipients of a mortgage will have a repayment upon point of sale, transfer, move, or refinance with a cash pay out to the homeowner for the balance due. Refinancing with the purpose of achieving greater affordability such as by lowering the interest rate, reducing the number of years on the original mortgage and/or adding living space due to an increase in household size, ~~and debt consolidation~~ will be exempt from this repayment provision, as long as there is no cash paid to the homeowner.
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following an Executive Order from the Governor declaring Sumter County as a disaster area. The availability will be advertised annually as required, but will only be available upon Executive Order. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. If a waiting list exists, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed. Verification of all types of income and assets will be obtained and reviewed.
- g. **Sponsor Selection Criteria and duties, if applicable:** N/A
- h. **Additional Information:** SHIP assistance will only be provided for homes that are owner-occupied and used as the primary residence. Proof of Homestead Exemption is required. All property taxes and mortgages, if applicable, must be current. All judgments must be paid and satisfactions recorded in order to receive assistance. Mobile homes manufactured before 1994 are not eligible for rehabilitation, but if the mobile home is determined to be beyond repair by the housing inspector, it may be considered for demolition and replacement.

E. Foreclosure Prevention

- a. **Summary of the Strategy:** Funds will be made available to applicants to prevent foreclosure. This is a one-time assistance only. Applicants requesting assistance must be able to prove that their financial situation is temporary and due to a change in the family status, including, but not limited to, serious medical illness, divorce or separation, death in the family, unforeseen home repair bills, military deployment or job loss that was not the fault of the recipient.
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, low and moderate income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a grant to reduce costs to qualified, eligible applicants. Recipients will not be required to repay the funds, as it is in the form of a grant.
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of SHIP funds. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed. Verification of all types of income and assets will be obtained and reviewed. The applicant must give permission to have a credit report pulled. All judgments must be paid and satisfactions recorded in order to receive assistance. Medical bills and bad debt that occurred due to extenuating circumstances beyond the family's control will not be considered.
- g. **Sponsor Selection Criteria and duties, if applicable:** None
- h. **Additional Information:** SHIP assistance will only be provided for homes that are owner-occupied and used as the primary residence. Proof of Homestead Exemption is required. All property taxes must be current unless it is part of the escrow account for which SHIP assistance will assist in paying the past due taxes. Properties must meet local codes, including zoning regulations. Applicants must provide documentation showing payments on the mortgage were current for at least two (2) years before extenuating circumstances occurred. Applicants must provide proof of circumstances beyond their control which caused them to fall behind in mortgage payments. Housing staff will work with homeowner and lender to bring the mortgage current including the ability to refinance to reduce the monthly payments. Mobile homes manufactured before 1994 are not eligible for SHIP funds. Homes are not eligible for assistance if the value exceeds the maximum sales prices as listed on the Housing Delivery Goals Chart for existing homes. ~~Recipients of Disaster Mitigation assistance may apply for other housing programs.~~

F. **Rental Deposits**

- a. **Summary of the Strategy:** SHIP funds will be made available to qualified applicants to assist with security and utility deposits for rental units that have met the Housing Quality Standards (HQS) of The Department of Housing and Urban Development (HUD).
- b. **Fiscal Years Covered:** 2010/2011 – 2011/2012 – 2012/2013
- c. **Income Categories to be served:** Very low, low and moderate income
- d. **Maximum award** is noted on the Housing Delivery Goals Charts:
- e. **Terms of the award; Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a note. Loans will be made based on the cost of the deposits and the ability to repay with a maximum term of two years. Default of the loan occurs if the recipient does not make payments according to the signed Promissory Note. Default requires immediate repayment of the SHIP loan in full. ~~In the event of financial hardships including, but not limited to, serious medical illness, divorce or separation, death in the family, military deployment or job loss that was not the fault of the recipient, the County, at the County's option, will research the hardship on a case by case basis and may defer or waive the repayment requirements.~~
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of SHIP funds. Priority may be given according to the initial determination of assistance in an effort to accommodate SHIP expenditure requirements. If a waiting list exists, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed. Verification of all types of income and assets will be obtained and reviewed. Applicants will be assessed for credit worthiness and the ability to repay the loan. The loan for deposits, the monthly rent and all other fixed monthly payments the tenant has incurred can not exceed 43% of the annual gross income. The applicant must give permission to have a credit report pulled. Applicants must have acceptable credit which includes, but is not limited to, bankruptcies that are discharged for at least one year, history of timely payments for at least one year on all reported credit obligations. Collections for basic services such as electric, water and sewer or tenant evictions for the past three years will be cause for denial of assistance. Medical bills and bad debt that are older than three years will not be considered. The Housing Department may review individual credit situations and waive these requirements in cases where the client is in a repayment agreement for the bad debt or has worked out an agreement with a counseling agency, such as Consumer Credit Counseling Services and the counseling agency agrees the applicant can afford to take on the additional debt of the loan for repairs.
- g. **Sponsor Selection Criteria and duties, if applicable:** N/A
- h. **Additional Information:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of SHIP funds. If a waiting list exists, new applicants will be added to the existing list by date and

time of application. Applicants may submit a completed SHIP application to the Sumter County Housing Department for determination of income eligibility at any time, unless the waiting list is closed due to lack of funds. Recipient will not be eligible for any housing program until all funds are paid in full, except for a county, state or federal disaster on a case-by-case basis. Mobile homes manufactured before 1994 are not eligible for SHIP funds.