

***SUMTER COUNTY***

***AFFORDABLE HOUSING FUNDS***

***HOUSING ASSISTANCE PLAN***

**2010/11 – 2011/12 – 2012/13**

**REVISION JULY 12, 2011**

The Sumter County Housing Department under direction of the Board of County Commissioners will be the administrator of the Affordable Housing (AH) Funds for the entire county. Funds are received through sale of county owned properties and affordable housing mitigation for developers within the community. The current funds available are ~~\$466,966~~ \$421,048 and will be

broken down as follows:

|                                     |                       |
|-------------------------------------|-----------------------|
| <del>Administration</del>           | <del>\$ 46,697</del>  |
| <del>Home Purchase Assistance</del> | <del>\$ 70,000</del>  |
| <del>Home Rehab/Replacement</del>   | <del>\$ 250,000</del> |
| <del>Emergency Repair</del>         | <del>\$ 80,000</del>  |
| <del>Rent/Utility Deposits</del>    | <del>\$ 20,269</del>  |
| <br>                                |                       |
| <del>Total Funds</del>              | <del>\$ 466,966</del> |

|                                 |                   |
|---------------------------------|-------------------|
| <u>Administration</u>           | <u>\$ 27,753</u>  |
| <u>Home Purchase Assistance</u> | <u>\$ 80,000</u>  |
| <u>Home Rehab/Replacement</u>   | <u>\$ 250,000</u> |
| <u>Emergency Repair</u>         | <u>\$ 63,295</u>  |
| <br>                            |                   |
| <u>Total Funds</u>              | <u>\$ 421,048</u> |

1. **Home Purchase Assistance Strategy:**

- a. **Summary of the Strategy:** AH 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:** ~~2009/2010~~ 2010/11 – 2011/12 – 2012/13
- c. **Income Categories to be served:** up to 140% of median income adjusted for family size based on Income Guidelines posted by HUD annually.
- d. **Maximum award is \$10,000**
- e. **Terms of Payment, Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a second mortgage and note. Maximum term is twenty years. Subordination of Mortgage may be approved on a case-by-case basis if a request is submitted in writing. Subordination must be for the purpose of achieving greater affordability such as by lowering the interest rate or reducing the number of years of the original first mortgage, adding living space due to an increase in household size, and debt consolidation. Subordination will be allowed one time only during the life of the loan and the loan must be in good standing for a minimum of eighteen months. The homeowner may repay the loan in full under the above circumstances or prepay 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 death of the surviving mortgage holder or foreclosure. Default requires immediate repayment of the AH loan in full. The County reserves the right to foreclose if payment is not made.
- f. **Recipient Selection Criteria:** To qualify, applicants must not have owned a home within the last three years. Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of AH funds. If waiting lists exist, new applicants will be added to the existing list. Applicants may submit a completed 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. The household assisted must be certified as very low, low or moderate-income (not to exceed 140% of median income based on family size), be credit worthy and have sufficient income to obtain mortgage financing from a federal or state chartered financial institution or from a not-for-profit corporation established for the sole purpose of providing affordable housing.
- g. **Sponsor Selection Criteria:** None

- h. Additional Information:** AH 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 ~~AH funds~~ Home Purchase Assistance. Recipients of AH Home Purchase Assistance funds will not be eligible for any other housing assistance, except in the case of a county, state or federally declared disaster.
- 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 which clearly contains the dollar amount, the anticipated interest rate, terms and conditions. Conditional commitments must contain conditions and a good faith estimate.
- 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 charges to the buyer for the items listed below may not exceed 2% of the loan value:

  - vii.** Application fee
  - viii.** Appraisal review
  - ix.** Closing fee
  - x.** Discount points
  - xi.** Origination fee
  - xii.** Processing fee
  - xiii.** Underwriting fee
  - xiv.** Mortgage broker fee
  - xv.** Administrative fee
  - xvi.** Lender fee

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:

| <b>Type of Fee</b>         | <b>Maximum Allowable Charge</b>  |
|----------------------------|--|
| Appraisal                  | \$400 <del>480</del>   |
| Appraisal Re-certification | \$100  |
| Credit Report              | <del>\$25 per person</del> \$30 per person (up to 2 times if a loan is in process more than 90 days) |
| 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)  |
| Settlement                 | \$0  |
| Survey                     | Prevailing vendor cost (must attach bill)  |
| Tax service                | \$120 <del>\$125*</del> or as changed by USDA/FHA/VA   |

- I. Loan-To-Value/Back End Ratios:** Where AH 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.

## 2. Home Rehabilitation Strategy:

- a. **Summary of the Strategy:** AH funds will be used as leveraged funds with the CDBG Rehabilitation Program, if awarded. If CDBG funds are not awarded, AH funds will be used to assist homeowners in the other strategies available.
- b. **Fiscal Years Covered:** ~~2009/2010~~ 2010/11 – 2011/12 – 2012/13
- c. **Income Categories to be served:** Extremely Low, Very-low and Low Income households.
- d. **Maximum award is \$25,000 \$85,000.**
- e. **Terms, Recapture and Default:** Assistance shall be in the form of a 0% interest secured by a mortgage and note payable over a thirty (30) year period. Subordination of Mortgage may be approved on a case-by-case basis if a request is submitted in writing. Subordination must be for the purpose of achieving greater affordability such as by lowering the interest rate or reducing the number of years of the original first mortgage, adding living space due to an increase in household size, and debt consolidation. Subordination will be allowed one time only during the life of the loan and the loan must be in good standing for a minimum of eighteen months. The homeowner may repay the loan in full under the above circumstances or prepay 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 death of the surviving mortgage holder or foreclosure. Default requires immediate repayment of the AH loan in full. The County reserves the right to foreclose if payment is not made.
- f. **Recipient Selection Criteria:** Assistance is provided on a first-come, first-qualified, first-serve basis following annual advertisement of the availability of AH funds. If waiting lists exist, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed 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:** None  
**Additional Information:** AH 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. ~~Mobile homes manufactured before 1994 are not eligible for rehabilitation, but if the mobile home is determined to be beyond repair, it may be considered for demolition and replacement. Recipients of AH Housing Rehabilitation funds will not be eligible for any other housing funds, except in the case of a county, state or federal disaster. Mobile homes manufactured before 1994 will be evaluated on a case-by-case basis. If the cost of repairs exceeds 50% of the value of the mobile home according to the Property Appraiser’s value (not including the property it is attached to), the mobile home will be considered for replacement only.~~

### 3. Emergency Home Repair Strategy:

- a. **Summary of the Strategy:** AH 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 the homeowner.
- b. **Fiscal Years Covered:** ~~2009/2010~~ 2010/11 – 2011/12 – 2012/13
- c. **Income Categories to be served:** Extremely Low, Very-low, Low and Moderate Income households.
- d. **Maximum award is \$10,000.**
- e. **Terms of Payment, Recapture and Default:** Assistance shall be in the form of a 0% interest loan secured by a second mortgage and note. Maximum term is twenty years. Subordination of Mortgage may be approved on a case-by-case basis if a request is submitted in writing. Subordination must be for the purpose of achieving greater affordability such as by lowering the interest rate or reducing the number of years of the original first mortgage, adding living space due to an increase in household size, and debt consolidation. Subordination will be allowed one time only during the life of the loan and the loan must be in good standing for a minimum of eighteen months. The homeowner may repay the loan in full under the above circumstances or prepay 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 death of the surviving mortgage holder or foreclosure. Default requires immediate repayment of the AH loan in full. The County reserves the right to foreclose if payment is not made.

In the event of financial hardships, such as serious medical illness, 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 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 AH funds. If waiting lists exist, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed 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 household assisted must be certified as very low or low-income.
- g. **Sponsor Selection Criteria:** None
- h. **Additional Information:** AH 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. The home must be in good condition other than the emergency repair needs. If more than 80% of the home is determined

in need of repair, the recipient will not be eligible for assistance. They will be encouraged to apply for the Rehabilitation/Replacement Strategy if the waiting list is open. Recipients of AH Emergency Repair funds will be eligible for the Emergency Repair program one time only, except in the case of a county, state or federal disaster. Mobile homes manufactured before 1994 ~~are not eligible for AH funds~~ will be evaluated on a case-by-case basis. If the cost of repairs exceeds 50% of the value of the mobile home according to the Property Appraiser's value (not including the property it is attached to), the mobile home will be considered for replacement only.

4. **Rent Deposits Strategy:**

- a. ~~**Summary of the Strategy:** AH 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:** 2009/2010~~
- c. ~~**Income Categories to be served:** Extremely Low, Very low and Low Income households.~~
- d. ~~**Maximum award \$1,200.**~~
- e. ~~**Terms, Recapture and Default:** Assistance shall be in the form of a 0% interest unsecured personal loan payable up to two (2) years. Payment will be made monthly. If funds are not repaid as agreed in the executed Promissory Note, the recipient will not be eligible for any other housing assistance unless the balance of the funds and all penalties and interest are paid in full. In the event of financial hardships, such as serious medical illness, 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 waive the recapture requirements.~~
- f. ~~**Recipient Selection Criteria:** Assistance is provided on a first come, first qualified, first-serve basis following annual advertisement of the availability of AH funds. If waiting lists exist, the strategy will be closed until all applicants on the list have been assisted. Applicants may submit a completed 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:** None~~
- h. ~~**Additional Information:** AH rent deposits assistance will be provided for families on a one time only based and the unit must be used as the primary residence. Proof of ownership from the landlord is required and the landlord must agree to meet HUD HQS quality standards. All property taxes and mortgages, if applicable, must be current on the rental unit the funds will be used for. If the family repays the loan in full, any deposits will be returned to the family. If the loan is not repaid in full the landlord and/or utility company will reimburse the County for any deposits returned on the rental unit.~~

5. **Foreclosure Prevention Strategy:**

- 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 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 a change in the family status that was beyond the family's control.~~
- 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 as long as funds are available. 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.~~