



SUFFOLK COUNTY HOME CONSORTIUM

DOWN PAYMENT ASSISTANCE PROGRAM

FOR FIRST-TIME HOMEBUYERS

2018 PROGRAM GUIDELINES

Important: Please retain this copy of the program guidelines after you send in the application as it contains important program information.

APPLICATIONS MUST BE SUBMITTED BY DECEMBER 31, 2018

1. **GOAL:** To help make the “American Dream” of homeownership a reality for first-time homebuyers in the Suffolk County Consortium of municipalities.
2. **GRANT ASSISTANCE:** The Suffolk County HOME Consortium down payment assistance funds are essentially zero-interest deferred loans that are forgiven after 5 years. The assistance provided will be up to \$14,000 for eligible applicants to assist with the down payment toward the purchase of an owner-occupied, single family residence. This program does not fund closing costs. The applicant will be required to sign a Note & Mortgage which is subordinate to the bank or lending institution that will be providing the primary mortgage.
3. **ELIGIBILITY CRITERIA:** An applicant must:
 - Be a First-Time Homebuyer. Defined by the U.S. Department of Housing and Urban Development (HUD) as a household that has not owned a home during the three-year period immediately prior to the purchase of a primary residence with HOME funding. This requirement will be waived for U. S. military veterans possessing a DD-214, verifying honorable service.
 - Be a Low to Moderate Income Household. All applicant households must have a gross annual income not exceeding 80% of the area median income as determined by HUD (see chart that follows).
 - Have tax returns and pay stubs (or other applicable documentation) to prove a minimum annual household income of at least \$30,000.
 - Attend a mortgage counseling session at a **HUD certified** not-for-profit housing agency and submit proof of attendance (a certificate of completion) with the application. Each individual named on the mortgage must attend mortgage counseling to qualify.
 - Have sufficient financial resources and credit to qualify for a mortgage.
 - Occupy the subject property as a principal residence.
 - Not have entered into a Contract of Sale to purchase a home prior to being issued a Purchaser Certificate by the Suffolk County Community Development Office (SCCDO).

4. **2018 INCOME GUIDELINES:** The maximum permitted gross annual household income for applicants shall not exceed 80% of the area median annual household income as determined by HUD. Such amounts are set forth below.

Household Size	Maximum Allowable Income*	Minimum Annual Income
1	\$65,350	\$30,000
2	\$74,700	\$30,000
3	\$84,000	\$30,000
4	\$93,350	\$30,000
5	\$100,850	\$30,000
6	\$108,300	\$30,000
7	\$115,750	\$30,000
8 or more	\$123,250	\$30,000

*Please note that the maximum allowable income includes all income such as overtime, bonuses, pensions, social security, 401-K distributions, tips, etc. Your gross income cannot exceed the maximum annual income for your household size. When reviewing your application, the SCCDO must project the income that will be earned for the upcoming 12-month period; this is done by calculating your pay using your current pay stubs a letter from your employer verifying your salary or an Employment Verification Request.

5. **HOME BUYER CONTRIBUTION:** The applicant is required to have a minimum of \$3,000 of their own funds in the bank at the time of application. Applicant's liquid assets cannot exceed the purchase price of the house.

6. **PROPERTY VALUE LIMIT:** The maximum appraised value of a single-family residence to be purchased within the Suffolk County Consortium HOME Selection Area cannot exceed \$363,000 for existing housing and \$380,000 for new construction.

7. **TYPES OF ELIGIBLE HOUSING:** Pre-existing or newly constructed single family residences located within the Suffolk County Consortium HOME Selection Area must be occupied as a principal residence, including single-family houses, condominiums, cooperative apartments (co-ops) or manufactured homes. Manufactured homes must be placed on real property owned or to be owned by the purchaser.

8. **CONSORTIUM AREA:**

Applicants **must** purchase a home within the Suffolk County Consortium HOME Selection Area stated below:

- **Town of Brookhaven** – and the Villages of Bellport, Lake Grove, Shoreham, Patchogue, and Port Jefferson
- **Town of East Hampton** – and the Village of Sag Harbor
- **Town of Huntington** – entire town
- **Town of Riverhead** – entire town
- **Town of Shelter Island** – excluding incorporated villages

- **Town of Smithtown** – and the Village of the Branch
- **Town of Southampton** – and the incorporated Villages of Sag Harbor, Southampton, Westhampton Beach and Westhampton Dunes
- **Town of Southold** – excluding incorporated villages

***Please note that the Townships of Babylon and Islip do not participate in the Suffolk County HOME Consortium of municipalities. This program cannot fund purchases in these towns.**

9. Mortgage Counseling and Homebuyer Education Requirements: Applicants must have adequate financial resources and credit to qualify for a mortgage. In order to help you with the home buying process, *it is required that all applicants obtain one-on-one/in person mortgage counseling.* Some of these housing agencies are listed below. There may be a fee for counseling services. These organizations have a great deal of knowledge in this field and can advise you on many aspects of purchasing a home and securing a mortgage. Even though it is the responsibility of the applicant to secure a mortgage, some of these housing agencies can refer you to banks that offer first-time homebuyer mortgage products. They can also assist you with clearing up any credit problems you might have. Therefore, you are advised to schedule an appointment as soon as possible. **All applicants are required to provide a mortgage counseling certificate with their application as proof that the counseling was completed.**

Please click on the link below for a full list of HUD certified non-for-profit mortgage counseling agencies in New York, to find a class near you.

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

10. PURCHASER CERTIFICATE: Purchaser Certificates will be issued to eligible applicants in the order in which the applications are received by the SCCDO. **Program funds are limited.** This Purchase Certificate, issued by the SCCDO, represents a sum of up to \$14,000 toward the down payment of the Grant Recipient’s purchase of an owner occupied single-family residence.

Applicants will be notified when all available Purchaser Certificates have been issued and a waiting list has been established. Eligible applicants who are issued Purchaser Certificates will have 90 days from the date the Certificate is issued to submit a fully executed Contract of Sale to the SCCDO. Failure to return a fully executed Contract of Sale by that date shall result in the automatic nullification of the Purchaser Certificate. As Purchaser Certificates are nullified, new Certificates will be offered to eligible applicants on the waiting list in order. After entering into a contract to purchase an owner occupied, single-family residence, applicants have 90 days to secure a mortgage with a recognized lending institution and close on the subject property. If the purchase is for **new construction**, the applicant will have 300 days to close on the subject property Suffolk County recommends that your attorney or representative include a clause in your contract that nullifies it in the event that you are found to be ineligible for the Down Payment Assistance Program.

All applications are subject to underwriting as part of SCCDO’s review process. Underwriting calculations will be done using information from the bank’s mortgage application (1003). Ratios must fit within the Suffolk County parameters. Housing Debt to Income, Total Debt to Income and Mortgage Amount to Appraised Value.

Ratios	Parameters
Front End Ratio: DTI (Housing Debt to Income)	38%
Back End Ratio: TDTI (Total Debt To Income)	45%
Loan To Value : LTV (Mtg amt to Appraised Value)	95%

11. HOUSING QUALITY STANDARD INSPECTION: Suffolk County requires that the residential property to be purchased **must** pass a Housing Quality Standards (HQS) Inspection before receiving HOME funds. This inspection is provided by Suffolk County and is solely for the purpose of ensuring that the home is in decent, safe and sanitary condition in accordance with HUD regulations. The inspection will be ordered by the SCCDO upon receiving a mortgage commitment. Without exception, this program will not fund homes that **fail** the HQS Inspection. Suffolk County is not responsible to any person, party, entity, applicant, buyer, seller, etc., for the loss of any deposit and/or down payment on a home which has not passed the HQS Inspection. This inspection does not take the place of a home inspection ordered by the purchaser. Homes that fail initial and secondary inspection will not be funded.

12. OBTAINING THE GRANT ASSISTANCE: As a condition to obtaining assistance, applicants are required to submit to the Suffolk County Community Development Office the following documents as soon as they are available:

- Mortgage Counseling Certificate
- Fully executed Pre-Contract Agreement. This agreement will be provided to all eligible applicants at the time a Purchaser Certificate is issued.
- Fully executed Contract of Sale (copy).
- Visual Inspection Report from an EPA Certified Lead Based Paint Inspector. This report must be completed by an EPA Certified Lead Based Paint Inspector or submit proof that the house was built after 1978.
- Mortgage Application (copy): also known as a 1003 form.
- Appraisal of the Subject Property (copy).
- Mortgage Commitment (copy).
- Fully executed and notarized Down Payment Assistance Agreement.

In order to receive the assistance, eligible applicants will be required to sign a Suffolk County Payment Voucher and a Note & Mortgage to secure the terms of the grant. Please note those applicants purchasing a co-op will be required to sign a Note & Security Agreement and Suffolk County will file a UCC-1 statement in order to secure the grant assistance. Before submission, please make sure your application and all accompanying documentation is complete and accurate. Once received by SCCDO, any changes to your application could place your application at risk of being moved to the end of the application list.

13. RESTRICTIONS:

- When searching for a home, the subject property that is to be purchased cannot displace an existing tenant. The house must be vacant, occupied by the owner, or occupied by the purchaser as a tenant. Both the purchaser and seller will be required to sign a “PRE-CONTRACT AGREEMENT” in order to verify that this restriction is not being violated. This document **will be sent to you when the Purchaser Certificate is issued.**
- The applicant must not have entered into a Contract of Sale to purchase the subject property prior to being approved for the Suffolk County HOME Consortium Down Payment Assistance Program and issued a Purchaser Certificate from the SCCDO.
- All houses constructed prior to 1978 must pass a Visual Inspection for the presence of lead based paint. This report must be completed by an EPA-Certified Lead Based Paint Inspector. Houses built after 1978 are exempt from this requirement and applicants must submit proof of this fact.
- Private mortgages are not allowed. Mortgages must be through a licensed and recognized lending institution.
- No Short Sales allowed. No foreclosures Allowed.
- No Bank Owned Properties are allowed.
- Non-occupying co-borrowers/co-signers/guarantors are not permitted.
- 100% financing is Not Permitted.
- Interest Only Mortgages and Adjustable Rate Mortgages are Not Permitted.
- “No Doc” Loans or No Income Check Loans are Not Allowed.
- 80/20 Loans are Not Allowed.

14. CLOSING: The funds will be provided to the applicant by Suffolk County at the closing. A representative of the Suffolk County Community Development Office will attend the closing and will provide the check.

The Down Payment Assistance is a zero interest deferred payment loan that will be forgiven at the end of the five-year term as long as the house is not sold, transferred or rented out. Recipients will be required to verify that they are still living in the funded property for the five-year term of the Note & Mortgage.

15. ANNUAL RE-CERTIFICATION: All eligible applicants who receive the down payment assistance will be required to live in the subject property as their principal residence for five (5) years. The Community Development Office reserves the right to perform an in person inspection of the home during each year the house is within the affordability period (5 years).

A monitoring affidavit will be mailed annually to the grant recipient in order to verify in writing that the subject property is being maintained and in compliance with the following guidelines:

- Grant recipients are the current owners of the subject property.
- The subject property is currently occupied as the grant recipient’s primary residence.
- The subject property is properly insured and maintained in agreement with the terms of the Note and Mortgage or the Note & Security Agreement.
- No interest in the subject property has been sold, rented or transferred. There is a required five (5) year affordability period for the program, after which the Note & Mortgage will be

forgiven and no repayment is required. Upon completion of the five (5) year affordability period the homeowner will be issued a "Satisfaction of Mortgage" from the SCCDO. Please note that the homeowner will be responsible for all fees associated with filing the Satisfaction of Mortgage at the Suffolk County Clerk's Office.

If you sell before the 5 year period or the residence goes into foreclosure, the amount of HOME Direct Homebuyer Subsidy to be recaptured will be reduced by 20% at the end of each year of the affordability period. Or if you are found to be in violation of the restrictions of the 5 year affordability. We will require repayment of the full amount of the Down Payment Assistance.

The following chart assumes an original subsidy of \$14,000 as an example:

Amount to be recaptured:	Occupancy Period of:
\$14,000	Up to 12 months
\$11,200	13 months to 24 months
\$8,400	25 months to 36 months
\$5,600	37 months to 48 months
\$2,800	49 months to 60 months
\$ 0	At the end of 60 months

APPLICATION PROCEDURE: Be sure to **include all required documentation** with your application as **stated on the application checklist**. Incomplete applications **will not be considered**. Complete applications will be evaluated on a first-come first-served basis. Applications may be returned by USPS mail to:

Suffolk County Community Development Office
 Attention: Down Payment Assistance Program
 H. Lee Dennison Building – 2nd Floor
 100 Veteran’s Memorial Highway
 Hauppauge, N.Y. 11788-0099

- ◆ **If you want confirmation of delivery**, go to the post office and have your application submission sent “Certified Mail, Return Receipt Requested” as the SCCDO **cannot confirm receipt by phone**.
- ◆ **Do not send any original documents; the Suffolk County Community Development Office is not responsible for their return.**
- ◆ **Application packages may be hand delivered** to the H. Lee Dennison Bldg. on Veterans Memorial Highway in Hauppauge. They must be in a sealed envelope. There will be a secure drop-off bin at the Security Desk in the lobby.
- ◆ Applicants will be notified of their eligibility status **by mail only**, as soon as a determination has been made.

**APPLICANTS ARE STRONGLY ENCOURAGED TO TYPE THEIR INFORMATION INTO THE APPLICATION.
THE GUIDELINES AND APPLICATION CAN BE DOWNLOADED
BY CLICKING ON THE SUFFOLK COUNTY WEB-SITE BELOW:**

www.scdownpayment.com

Suffolk County reserves the right to nullify and/or void any Purchaser Certificate issued for the 2018 Suffolk County HOME Consortium Down Payment Assistance Program based on funding availability and any changes in eligibility status prior to closing as funding is limited.

Suffolk County is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of the applicant's failure to adhere to the terms of the 2018 Suffolk County HOME Consortium Down Payment Assistance Program Guidelines, as stated in this document.

Please retain the program guidelines (pages 1-7) and submit the application portion on pages 8-16

Mailing Address (if different from above) _____

Home Telephone # _____ Relationship to Applicant N° 1: _____

Cell Phone # _____

Employed by: _____ Work Telephone # _____

Check here if not employed:

Stay-at-home parent Disabled Retired Other (_____)

SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

QUESTIONS 10a and 10b MUST BOTH BE ANSWERED:

The following information is being requested for statistical and reporting purposes only, to comply with federal equal opportunity requirements.

Your answers will not affect your eligibility for this program.

10a. Ethnicity of Head of Household: Are you Hispanic/Latino? Yes_____ No_____

AND

10b. Race of Head of Household:

___ (11) White

___ (12) Black/African American

___ (13) Asian

___ (14) American Indian or Alaska Native

___ (15) Native Hawaiian or Other Pacific Islander

___ (16) American Indian/Alaskan Native and White

___ (17) Asian and White

___ (18) Black/African American and White

___ (19) Amer. Indian/Alaskan Native and Black/African American

___ (20) Other Multi-Racial

___ (21) Asian/Pacific Islander

SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

11. **List each person who will live with you in the household.** Start with yourself and please include **custodial** children (who live with you at least 50% of the time), spouse, fiancé, life partner, parent, friend, etc. (regardless of relationship).

1	First Name:	Last Name	Circle one: Male or Female	Self	Annual Income
	Social Security #: →		Date of Birth: →		
2	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
3	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
4	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
5	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
6	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
7	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		
8	First Name:	Last Name	Circle one: Male or Female	Relationship to #1	Annual Income
	Social Security #: →		Date of Birth: →		



SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

12. CURRENT EMPLOYMENT: List all current employers for each wage earner over 18 years of age listed in section # 11. Include a separate sheet for any other employers. Do not list any past employers.

Your Name:	Employed by:	Gross Annual Income: \$
	Location Address:	
	Job Title:	Full Time employee? YES / NO Please circle your choice
	Date Hired:	

Your Name:	Employed by:	Gross Annual Income: \$
	Location Address:	
	Job Title:	Full Time employee? YES / NO Please circle your choice
	Date Hired:	

Your Name:	Employed by:	Gross Annual Income: \$
	Location Address:	
	Job Title:	Full Time employee? YES / NO Please circle your choice
	Date Hired:	

Your Name:	Employed by:	Gross Annual Income: \$
	Location Address:	
	Job Title:	Full Time employee? YES / NO Please circle your choice
	Date Hired:	

13. ANY OTHER SOURCES OF INCOME: List all sources of income other than wages (i.e., social security, disability, unemployment, retirement income, workers comp, investment income, bonuses, etc.) and state the frequency it is paid (i.e., weekly, monthly, annually, etc.) and provide proof (award letter, annual statement, etc.).

Recipients Name	Income Source	Amount	Frequency
		\$	
		\$	
		\$	
		\$	

SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

14. BANKING INFORMATION: Please provide current information for each bank account held by any adult household members and send copies of the last three months bank/financial statements for each account listed below. Also include any retirement accounts, such as 401-K accounts, IRA's, stocks, bonds, money market accounts, certificates of deposits (CD accounts), etc. Applicants must have at least \$3,000 of their own funds at the time of application.

Please include separate sheet for any other financial information

Name(s) on the Account: _____

Bank Name:			
Account Number:			
Current Balance (as of today's date):			
Check Account Type:	Savings		
	Checking		
	Other		

Name(s) on the Account: _____

Bank Name:			
Account Number:			
Current Balance (as of today's date):			
Check Account Type:	Savings		
	Checking		
	Other		

Name(s) on the Account: _____

Bank Name:			
Account Number:			
Current Balance (as of today's date):			
Check Account Type:	Savings		
	Checking		
	Other		

Name(s) on the Account: _____

Bank Name:			
Account Number:			
Current Balance (as of today's date):			
Check Account Type:	Savings		
	Checking		
	Other		

SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

Please read this entire page and then sign below.

I hereby authorize the release of financial information by and to the Suffolk County Community Development Office on my behalf in relation to this application for the Suffolk County HOME Consortium Down Payment Assistance Program. This authorization includes the release of any financial information and documentation to the Suffolk County Community Development Office from any lender to which I have applied for a mortgage or from any employer.

I understand that providing false or incomplete information will disqualify me from consideration in the Suffolk County HOME Consortium Down Payment Assistance Program and/or represent a criminal offense. If any of the information provided in this application changes prior to closing, it is my responsibility to notify the Suffolk County Community Development Office in writing so that an updated determination can be made regarding my eligibility status. If I have not closed on a house within six (6) months of the date qualified, I understand that I will be required to resubmit current financial information and documentation to determine that I still meet the eligibility requirements of the program. Program eligibility must be maintained from the point of application to the awarding of the grant assistance at the closing.

I understand that this is not an offer and that the terms and conditions of the Suffolk County HOME Consortium Down Payment Assistance Program may be changed at any time by the U.S. Department of Housing and Urban Development (HUD) or by the Suffolk County Community Development Office. I further understand that notices by the Suffolk County Community Development Office may be made in such manner as the Suffolk County Community Development Office may determine, including solely by advertisements.

I understand and acknowledge that Suffolk County is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of the applicant's failure to adhere to the terms of the Suffolk County HOME Consortium Down Payment Assistance Program, as so stated.

I understand and acknowledge that I have read the entire Suffolk County Down Payment Assistance Program for First-Time Homebuyers 2018 Program Guidelines.

Applicant Signature

Date

Applicant Signature

Date

WARNING: Section 1011 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any department or agency as to any manner within its jurisdiction.



SUFFOLK COUNTY DOWN PAYMENT ASSISTANCE PROGRAM APPLICATION

Required Documentation Checklist

❖ **Use this checklist to be sure your application package is complete.**

❖ **Your application will not be considered complete unless all the following applicable documentation is included.**

❖ **Incomplete applications *will not be reviewed* for eligibility.**

❖ **The deadline for submitting applications is December 31, 2018.**

- Signed and dated** 2018 Suffolk County HOME Down Payment Assistance Application.
- Signed and dated** Mortgage Counseling Certificate from a HUD-certified mortgage counseling agency.
- Two months of current consecutive pay stubs** showing year-to-date gross earnings for all household members over 18 years of age. If year-to-date earnings are not included on pay stubs, a letter signed by your employer on company letterhead is required. Letter must state your title/position, annual salary and/or rate of pay, with number of weekly hours worked. Suffolk County Community Development Office may require additional pay stubs to verify income.
- Four (4) current consecutive bank/financial statements** with all pages for each applicable bank account. Please note that applicant(s) must have a minimum of \$3,000 of their own funds at the time of application in order to be eligible for the 2018 Suffolk County HOME Down Payment Assistance Program.
- Copies of your signed IRS 1040-Federal Tax Returns** with all required schedules and W-2 statements for the last three years (2017, 2016 & 2015). If you file electronically, please sign all schedules before sending them.
- Current school transcripts** for household members over the age of 18 receiving some type of income (if applicable).
- Copies of documentation** for Social Security Benefits, Disability Income, Pension Income, Unemployment, etc. (if applicable).
- Separation Agreement** or Divorce Decree (if applicable).
- Proof** of legal resident alien status (if applicable).
- For U.S. military veterans only:** to exempt from first-time home buyer status, a DD-214 discharge form verifying honorable discharge.

The application may be also dropped off at:
Community Development Office
100 Veteran's Memorial Highway
H. Lee Dennison Building – 2nd Floor
Hauppauge, NY 11788

