

Purpose

The purpose of the Clinton Affordable Homeownership Program (CAHP) is to provide safe, quality, and affordable homeownership opportunities for low-to-moderate income individuals and families.

Scope

This program addresses the City of Clinton's strategic focus areas of Welcoming Neighborhoods & Public Spaces and Affordable & Varied Housing Opportunities. The program will seek to provide affordable homeownership opportunities throughout the city. The program is open to all individuals and families who qualify under median family income limits as identified by the U.S. Department of Housing and Urban Development (HUD) indicated in Appendix A. The City does not provide financing options. All individuals and families who meet the identified median family income limits and who receive appropriate financing approval are eligible for the program. The City of Clinton is an equal opportunity provider.

Objectives

The City's objectives for the Clinton Affordable Homeownership Program are the following:

- Provide quality and affordable homeownership opportunities for low-moderate income families.
- Increase owner-occupied dwellings within the city.
- Increase available housing stock in the city.
- Preserve the integrity of city neighborhoods through infill housing.
- Promote balanced, orderly growth.

Definitions

Affordable Housing is defined by HUD as housing that costs no more than 30 percent of a household's monthly income including rent and utilities in an apartment or the monthly mortgage payment and housing expenses for a homeowner.

Homeowner is a person who owns and resides in the home that they occupy.

Low-to-Moderate Income (LMI) refers to individuals or families whose income levels are less than 50 percent of the defined median income for low and between 50 percent and 80 percent of the defined median income for moderate.

Median Family Income (MFI) refers to an annual income figure representing the point at which there are as many families earning more than that amount as there are earning less than that amount. The US Census Bureau publishes median family income figures annually depending on family size.



The City of Clinton does not discriminate on the basis of race, sex, color, age, national origin, religion or disability in its employment opportunities, programs, services or activities.

Program Guidelines

- 1) Upon completion of a house that the City designates for CAHP, the City will obtain an appraisal of the property to ensure fair value and an acceptable sale price for prospective LMI buyers.
- 2) The City will pay for and ensure completion of all necessary permits, surveys, inspections, etc.
- 3) Individuals and families interested in purchasing a home through CAHP must qualify as low-to-moderate income families as indicated by the HUD matrix found in *Appendix A*.
- 4) Prospective buyers meeting the LMI qualifications must complete the CAHP application and background check consent in their entirety before being considered for the program. The program operates on a first come, first serve basis. Incomplete applications and/or applications with inaccurate information will not be considered for the program.
- 5) The City does not provide financing for the purchase of a home through CAHP. Buyers will need to secure financing on an individual basis. The City may entertain and/or negotiate offers for a CAHP house once a prospective buyer has completed all CAHP forms and at a minimum, received a financial pre-approval from a financing institution. The City will accept offers on a first come, first serve basis and will not accept any additional or competing offers once it has accepted legitimate offer. The City will pay for half the closing costs associated with the sale of a CAHP house.
- 6) The City will give preference to applicants who currently lease or rent a house, apartment, etc. Participants in the program will not be permitted to rent the purchased house and must agree to live in the house as their primary residence for at least five years.
- 7) The City will require a background check for each adult member of the applicant's household. Eligibility for CAHP may be denied based on the restrictions outlined in *Appendix D*.

Adopted this 2nd day of September, 2014

Lew Starling, Mayor

Attest:

Elaine Hunt, MMC, City Clerk



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Appendix A: Median Family Income Limits[†]

FY 2015 Income Limit Area	Median Income	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Sampson County	\$48,200	Extremely Low (30%)*	11,770	15,930	20,090	24,250	27,450*	29,500*	31,500*	33,550*
		Very Low (50%)	17,800	20,350	22,900	25,400	27,450	29,500	31,500	33,550
		Low (80%)	28,500	32,550	36,600	40,650	43,950	47,200	50,450	53,700

† Table to be updated annually in April.

* The FY2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.

FY 2015 Income Limits Documentation System

<http://www.huduser.gov/portal/datasets/il/il2015/2015summary.odn>



Appendix B: CAHP Application & Information Form

Applicant Information

Social Security No. _____ - _____ - _____

Full Name _____

Address _____
Street City State Zip

Home Phone _____ Work Phone _____

Email Address _____

Date of Birth _____

Are You a US Citizen? Yes No

Marital Status: Single Married Separated Divorced Other

Employment Information *Include jobs for past three years. Include other sources of income such as social security, disability income, child support, etc. Attach additional pages as needed.*

Source of Income/Employer	Hours per Week	Rate of Pay	Dates of Employment (Month/Year)		Monthly Income Before Taxes
			From	To	

Debt Information *List all debts such as car payments, credit cards, personal loans, student loans, child support, etc. Include any debts deducted from your paycheck. Also, include any debts for which you have co-signed. Attach additional pages as needed.*

Creditors	Monthly Payment Amount	Balance Due

Continued on Next Page



CAHP Application & Information Form Continued

Cash Available Information *List all cash available such as checking or savings, credit union accounts, 401k, etc. toward a down payment. Attach additional pages as needed.*

Financial Institution	Estimated Balance	Account Type (Checking, Savings, etc.)

Please list all other household members and their incomes. Attach additional pages as needed.

Name	Relation	Date of Birth	Social Security #	Monthly Income

Have you owned a home before? Yes No

What is your current monthly rent payment? _____

How long have you lived at your current residence? _____

Landlord Name and Phone Number _____

Program Monitoring Information *This information is solely for monitoring purposes and is not used in determining program eligibility. This information is optional.*

Sex: Male Female

Race/National Origin: American Indian or Alaskan Native Black, Non-Hispanic
 Hispanic White, Non-Hispanic Other _____

I certify that all of the above information is correct and true to the best of my knowledge. I understand that information obtained is to be used in assessing my eligibility for the Clinton Affordable Homeownership Program. I have read and consent to all terms and conditions provided in the CAHP guidelines. I understand that false or misleading information will affect my eligibility I also understand that completion of this form in no way guarantees assistance with housing and that this is not an application for a loan.

Signature _____ Date _____



**Appendix C: Background Check Consent Form
(To be completed by each adult member of household)**

Criminal Background Check

The Civil Rights Act of 1964 prohibits discrimination in employment because of race, color, religion, sex, or natural origin. Federal law also prohibits other types of discrimination such as age, citizenship, disability, veteran status, attainment of benefits, and participation in union activities. The Fair Credit Reporting Act imposes restrictions with respect to information obtained from a consumer-reporting agency, including but not limited to information regarding credit data, personal character, general reputation, and mode of living. This list, however, is not exhaustive of the grounds on which discrimination is prohibited. As an applicant for a City of Clinton Government program, I hereby authorize the City of Clinton Government to obtain a background check and, if required, a consumer credit report for use in making an eligibility decision. The facts set forth in my background check and credit authorizations are true and complete. I understand that if eligible for the program, any false statement on this criminal background check may result in my disqualification.

TO APPLICANT: We deeply appreciate your interest in our organization. Thank you for taking the time to complete this application. The Civil Rights Act of 1964 prohibits discrimination because of race, color, religion, sex, or national origin. Federal law also prohibits other types of discrimination such as age, citizenship, disability, veteran status, attainment of benefits, and participation in union activities. The laws of most states and many localities also prohibit some or all of the above types of discrimination as well as some additional types including, but not limited to, discrimination based upon ancestry, marital status, parental status, sexual orientation, or source of income. The Fair Credit Reporting Act imposes restrictions with respect to information obtained from a consumer-reporting agency, including but not limited to information regarding credit data, personal character, general reputation, and mode of living. This list, however, is not exhaustive of the grounds on which discrimination is prohibited.

(PLEASE PRINT PLAINLY)

Full Name: _____

Date of Birth: ____/____/____

Social Security No: _____

Race: _____ Gender: _____

Driver's License # _____

Address: _____
Street City State Zip

Applicant Signature

Date

SAMPSON COUNTY, NORTH CAROLINA

I, _____, A Notary Public for said County and State, do hereby certify that _____, subscribing witness, personally appeared before me this _____ day of _____, _____ and signed the foregoing instrument.

Notary Seal

Date

My commission expires: _____



The City of Clinton does not discriminate on the basis of race, sex, color, age, national origin, religion or disability in its employment opportunities, programs, services or activities.

Appendix D: Crime Eligibility Restrictions

The following is a list of offenses and period of eligibility restriction for CAHP.

A. 5-year ban from conviction (unless other convictions after that date)

- Felony crimes other than those mentioned in b-c
- Misdemeanor weapons violation
- Misdemeanor drug violations
- Misdemeanor drunk & disruptive, affray, disorderly conduct

B. 10-year ban from conviction (unless other convictions after that date)

- Felony arson & burning related offenses
- Felony control substance violations (simple possession)
- Felony manslaughter
- Felony assaults
- Felony distribution & manufacturing of control substances
- Felony weapons violation
- Misdemeanor domestic related assaults & violation of domestic violence order
- Misdemeanor assaults with weapons or inflicting serious injury
- Misdemeanor prostitution related offenses

C. Lifetime ban

- Felony robbery offenses
- Felony sexual assault
- Felony murder
- Felony kidnapping & restraint
- Felony registered sex offender
- Misdemeanor crimes against children (including abandonment, abuse, endangerment, prostitution, pornography, possession or promotion of pornography, enticement, solicitation, sale or purchase of, injury to, indecency)
- Misdemeanor indecent exposure, peeping, & other sexual misconduct
- All sexual assaults
- All registered sex offenders
- All assaults on children/elderly
- All crimes against children

This list is not all-inclusive, but serves as guidelines for program selection.





United States Department of Agriculture

HOME OWNERSHIP LOANS



(For Bladen, Robeson, Pender, Sampson, Brunswick, New Hanover, Columbus, Cumberland, Hoke, Harnett, Johnston, Wake, Wilson and Scotland Counties)

440-C CATON ROAD
P O BOX 7426
LUMBERTON, NC 28359
(910) 739-3349 Ext. 4

2736 HWY 210
Smithfield, NC 27577
(919) 934-7156 Ext. 4

10 Referendum Drive
P. O. BOX 108
BOLIVIA, NC 28422
(910) 253-4448 Ext. 4

<http://www.rurdev.usda.gov>

“Committed to the future of rural communities”

HOME OWNERSHIP LOANS

Rural Development provides loans in rural areas to finance new and existing homes. Each person who applies gets equal consideration without regard to race, color, religion, sex, marital status, age, handicap, or national origin. Payments are based on household size & income. Call the local Rural Development office to be prequalified and determine your approximate payment amount.

How may funds be used?

Home ownership loans may be used to buy, build, repair, or refinance homes in special circumstances. Homes may be located on individual lots or in subdivisions. All homes must be on a road maintained by the State, City or County.

Who may borrow?

Home ownership loans are offered to help families or persons with low incomes. They must:

1. Be without adequate, decent, safe and sanitary housing.
2. Be unable to obtain a loan from other sources on terms and conditions that they can reasonably be expected to meet.
3. Have sufficient income to pay house payments, taxes, insurance, and necessary living expenses. Repayment ratios are 29 PITI / 41 MOTI (very low income), and 33 PITI / 41 MOTI (low income)-exceptions can be made. Also, they must have adequate cash available for closing costs, as well as cost of insurance and escrow.
4. Possess the legal capacity to incur the loan obligation.
5. Have a history of paying rent and credit accounts as promised.

What are the terms?

Loans may be made for up to 100% of the appraised value. The maximum repayment period is 33 years.

Area III Maximum Loan Limits:

County	Amount
Harnett	\$148,420
Bladen & Columbus	\$152,260
Cumberland	\$169,710
Hoke	\$152,210
Robeson	\$153,210
Scotland	\$150,660
Brunswick	\$167,260
New Hanover	\$167,260
Pender	\$162,260
Sampson	\$147,160
Johnston	\$154,760
Wake	\$163,420
Wilson	\$149,680

Are there loan fees and other charges?

The Applicant pays for legal services, credit reports, insurance coverage, and other loan closing costs. If the appraisal permits some fees may be included in loan funds.

What about size and design of the house?

Homes will be modest in size (1800 sq.ft. or less), design, and cost but adequate to meet family needs. Cost and design vary in different areas. The loan cannot exceed the applicant's repayment ability or the amount on the Applicant's Eligibility Certificate issued by Rural Development. No in-ground swimming pools.

What types of dwellings can be financed:

New Dwellings: Dwellings under construction, completed or planned can be financed provided that an acceptable set of plans and specifications can be provided by the builder. Acceptable RD inspections are required.

Existing Dwellings: Existing dwellings must be structurally sound, functionally adequate, in good repair, and consistent with Rural Development objectives.

Maximum Income Limits: (Based on Household Size and County)

County	Size of Household				
	1	2	3	4	5
Bladen	28,200	32,250	36,250	40,300	43,500
Cumberland	29,600	33,800	38,050	42,250	45,650
Hoke	29,600	33,800	38,050	42,250	45,650
Robeson	28,200	32,250	36,250	40,300	43,500
Scotland	28,200	32,250	36,250	40,300	43,500
Brunswick	35,100	40,100	45,150	50,150	54,150
N.Hanover	35,100	40,100	45,150	50,150	54,150
Columbus	28,200	32,250	36,250	40,300	43,500
Pender	32,200	36,800	41,400	46,000	49,700
Sampson	28,200	32,250	36,250	40,300	43,500
Johnston	44,750	51,100	57,500	63,900	69,000
Harnett	31,200	35,650	40,100	44,550	48,100
Wake	44,750	51,100	57,500	63,900	69,000
Wilson	28,650	32,700	36,800	40,900	44,150

Contact Rural Development for income limits if your household size exceeds five persons.

USDA is an equal opportunity provider and employer.

(Revised 05/01/2014)

GUARANTEED RURAL HOUSING LOANS

This loan program is administered by the U.S. Department of Agriculture, Rural Development.

Many rural families and individuals may be eligible to become homeowners with the help of this program.

Good credit and a steady income are not always enough to qualify at a commercial lending institution like a bank or savings and loan. Many times a sizeable downpayment may also be required. With the Guaranteed Rural Housing Loan Program, moderate-income applicants who qualify can usually obtain mortgages with no down payment.

"USDA is an equal opportunity provider, employer and lender". To file a complaint of discrimination, write USDA Director, Office of Civil Rights 1400 Independence Ave., S.W. Washington, DC 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

APPLICANT REQUIREMENTS

- ◆ Adequate and dependable income
- ◆ U.S. Citizen or legally admitted for permanent residence
- ◆ Repayment ability based on following ratios:
 1. PITI RATIO – (Principle, Interest, Taxes & Insurance) – The total of these monthly projected items divided by gross monthly income cannot exceed 29%*
 2. TOTAL DEBT RATIO – The PITI total plus monthly payments on credit debts that will last 6 months or longer, divided by gross monthly income cannot exceed 41%*

**Waivers of these percentages will be considered under certain circumstances.*
- ◆ Adjusted income that does not exceed moderate income limit for applicable area (see reverse side for income limits based on household size)
- ◆ Credit history which indicates willingness to meet obligations as they become due

HOMES THAT QUALIFY

- ◆ Loans can be made on either new or existing homes
- ◆ Existing homes must be structurally sound, functionally adequate, and in good repair
- ◆ There are no restrictions on size or design of the home being financed (loan limits are determined by your repayment ability)
- ◆ Streets must be either public or maintained by an approved Homeowners Association
- ◆ Homes with in-ground pools – requires waiver & contributory value must be subtracted.
- ◆ Homes must be in a rural area. A portion of Cumberland, Johnston and New Hanover Counties are non-rural, please call our office to determine if a specific site qualifies.

GUARANTEED RURAL HOUSING LOANS



**440-C Caton Road
P O Box 7426
Lumberton, NC 28359
(910) 739-3349 Ext 4**
<http://www.rurdev.usda.gov/>
*Serving the counties of: Bladen, Hoke
Brunswick, Columbus, Cumberland,
New Hanover, Robeson, Scotland, Pender,
Harnett, Duplin, Johnston and Sampson*

ADJUSTED INCOME LIMITS

The following limits apply to all counties within Area III:

Bladen, Brunswick, Columbus, Cumberland, Hoke, New Hanover, Richmond, Robeson, Scotland, Pender, and Sampson

NUMBER OF PERSONS IN HOUSEHOLD	
1-4 Persons	\$74,750
5-8 Persons	\$98,650

The above income limits are based on adjusted gross income. To determine adjusted gross income, take gross household income (before tax income) and adjust it using the following deductions:

1. \$480 for each family member, other than applicant, spouse, or co-applicant, who is under 18 years of age; or 18 years of age or older & disabled/handicapped; or a full-time student.
2. \$400 for an elderly family (at least one applicant is disabled or over 62).
3. Deduction for the care of minors 12 years or under, to the extent necessary to enable a member of the applicant/borrower's family to be gainfully employed or to further his/her education (provided no other family member is available to care for the child).
4. Deduction for medical expenses for an elderly or disabled household that exceeds 3% of gross annual income.

PROGRAM HIGHLIGHTS

- ⇒ Loans are 30 years at a fixed rate (comparable to a typical 30 yr loan)
- ⇒ Loans can be for up to 100% of the purchase price and closing cost if covered by the appraisal
- ⇒ No limit on the Seller's contribution to closing costs
- ⇒ Closing costs/fees can be provided through a gift (relative, friend, etc.)
- ⇒ No PMI until 10/1/2011. After 10/1/2011, PMI of .3%
- ⇒ Customary loan closing fees apply

OTHER FACTS

- ⇒ Applications are filed with participating Lenders, not Rural Development
- ⇒ Buyer(s) must occupy the dwelling
- ⇒ Does not have to be your first home.
- ⇒ There is a 2% guarantee fee, charged by Rural Development to the Lender. This is normally passed on to the borrower and may be financed if the appraised value is high enough. (Refinance fee is 1.5%)