



**Nassau County
HOME Down Payment Assistance Program
For First Time Homebuyers**

**2009
PROGRAM GUIDELINES**

I. Grant Assistance

Nassau County provides a two-part Home Down Payment Assistance program for eligible homebuyers:

Down Payment Assistance - Under this program Nassau County (NC) will provide eligible first time homebuyers up to \$25,000 towards down payment/ closing costs. The minimum down payment required from an applicant to receive grant funds is 3% of the purchase price. This program may be coupled with other types of assistance programs..

- **Rehabilitation Assistance** – Under this program Nassau County (NC) will provide eligible homebuyers with up to \$10,000 towards repairs to rehabilitate the newly purchased home. Rehabilitation funds are used for structural, health, safety, weatherization and code repairs (can include electric, plumbing, roof). **Rehabilitation Funds are NOT FOR DECORATIVE CHANGES.** Nassau County will perform a home inspection to determine the extent of the qualified home repairs. A certified contractor must complete repairs within 6 months from the date of closing.

II. Income Guidelines

The maximum permitted annual household income for purchasers in the Nassau County Home Down Payment Program shall not exceed 80% of the median annual household income for the area as determined by HUD:

<u>Household Size</u>	<u>Maximum Annual Income*</u>	<u>Minimum Annual Income**</u>
1	\$ 57,000	\$25,000
2	\$ 65,200	\$25,000
3	\$ 73,300	\$25,000
4	\$ 81,400	\$25,000
5	\$ 88,000	\$25,000
6	\$ 94,500	\$25,000
7	\$101,000	\$25,000
8 or more	\$107,500	\$25,000

* Includes all income – overtime, bonuses, pensions, social security, tips, etc. Your adjustable gross income cannot exceed the maximum annual income for your household size. LIHP must anticipate the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification. Any person whose earnings will be used to qualify for the program will be required to sign a '4506' tax release form to verify their tax returns with the Internal Revenue Service.

** Before applying, potential applicants with Housing Choice Vouchers should contact:
Nassau County Office of Housing & Homeless Services
40 Main Street, Suite B
Hempstead, NY 11550
Tel# (516) 572-1903

III. Property Value Limit

The appraised value of the property to be purchased must not exceed the New York State Association of Realtors (NYSAR) mortgage limit for our area for the type of housing being purchased. **The limit on the maximum appraised value of a single-family unit is \$410,000**

IV. Preference (as established by the Nassau County)

Applications received shall be evaluated and certified on a first come, first served basis based on the availability of funds, with preference being extended in the following order:

- Category A - Complete applications of those who live or work in Nassau County
- Category B - Complete applications of those who live or work outside of Nassau County

V. First-Time Homebuyer Requirement

The program is limited to first-time homebuyers (defined by HUD as a household that has not owned a home during the three-year period immediately prior to the purchase of a residence).

VI. Eligible Housing Types

Eligible homes are pre-existing or newly constructed single-family residence located within Nassau County and occupied as a principal residence and include:

- Town Houses
- Condominiums
- Co-operative Apartments
- Manufactured homes

VII. Residency Requirement

Applicants must occupy the property as their Principal Residence.

VIII. Pre-purchase Guidelines

Applicant cannot have entered into a contract to purchase a home prior to the June 12, 2009 start date of the program. Applicant cannot close on a home prior to receiving a purchase certificate and the approval from LIHP and NC.

IX. Homebuyer Selection Area

All homes must be purchased within Nassau County.

X. Mortgage Ability & Mortgage Counseling Requirements

Applicants must have adequate resources and credit to qualify for a home mortgage. **Eligible Applicants are required to attend pre-purchase mortgage counseling and obtain a pre-approval from a recognized lending institution.** A list of HUD certified mortgage-counseling agencies would be provided. It is the responsibility of the applicant to secure a mortgage. Applicants must submit to LIHP all standard documentation required for mortgage processing, including signed copies of the last three years of their Federal Income Tax Returns, W-2 forms, four (4) most recent consecutive pay stubs, and most recent three (3) months bank statements and investment accounts showing assets needed for down payment and closing costs.

- Note:**
1. **Private mortgages are not permitted.**
 2. **Mortgages must be with a recognized lending institution.**
 3. **“No Doc” Loans, 100% financing, and 80/20 loans are not permitted.**

XI. Mortgage Counseling Certificate Issuance

After attending a one-on-one mortgage counseling session and obtaining a pre-approval from a recognized lending institution, applicants will be provided with a Mortgage Counseling Certificate. The Mortgage Counseling Certificate and the pre-approval **must be forwarded to the Program Manager of the Down Payment Program.**

XII. Purchaser Certificate Issuance

Upon receipt of a Mortgage Counseling Certificate and a Pre-approval from a recognized lending institution, approved applicants will be issued a Purchaser Certificate allowing them three months from date of the certificate to enter into contract to buy a home within the boundaries of Nassau County.

After entering into a contract to purchase, applicants are given three months to secure a mortgage with a recognized lending institution and close on the home.

At the discretion of Nassau County, any applicant who does not close on a house within six (6) months of the date of issuance of the "Purchase Certificate" **will** be required to resubmit copies of four (4) current paychecks and copies of personal financial information to ascertain that they still meet the eligibility requirements of the program. Please note that a 45-day extension may be permitted but is not guaranteed.

XIII. Home Inspection Requirement

The residential property to be purchased must pass a Housing Quality Standards Inspection. This inspection, provided by Nassau County, is solely for the purpose of ensuring that the housing meets a minimum standard of quality under the U.S. Department of Housing and Urban Development regulations (HUD).

XIV. Proof of No Lead Based Paint

The purchase of a residential property, constructed prior to 1978, must pass a **visual** lead based paint assessment conducted by a certified lead based paint inspector. LIHP must be provided with written certification of this assessment. **The program will not fund homes that do not pass this initial assessment.** Homes built after 1978 are not required to have this assessment, however, it is the responsibility of the applicant, under the program, to provide LIHP with proof that the home being purchased was constructed after 1978. Neither LIHP nor Nassau County will be responsible for the cost of the assessment. Qualified applicants will be provided with a Lead Paint Information Packet and a list of certified lead paint inspectors at the time the Purchaser Certificate is issued.

XV. Pre-Contract Agreement

The purchaser of the home cannot displace an existing tenant. Both the purchaser and the seller will be required to sign a Pre-Contract Agreement to verify that this restriction is not being violated.

The applicant must not have entered into a contract to purchase the house prior to the **June 12, 2009** start of the program. All homes must be purchased within Nassau County. Absolutely no funds will be issued if a closing occurs prior to the issuance of a purchaser's certificate.

XVI. Annual Recertification

For up to ten (10) years after purchasing the home, a monitoring form is mailed annually to the grant recipient. This form will ask the grant recipient to verify in writing that they are maintaining the following required guidelines:

- They are the current owners of the property or home
- The home or property is being occupied as their primary residence
- The property or home is insured and maintained in compliance with the terms of the Note(s) and Mortgage(s)
- The home has not been sold, rented or transferred.

XVII. Closing

After all documents (Pre-Contract Agreement, Contract of Sale, Mortgage Application (1003), Appraisal, Mortgage Commitment, Lead Based Paint Assessment, Title and Certificate of Occupancy) have been forwarded to the Long Island Housing Partnership, as agent for NC, LIHP will submit a voucher which will allow the Nassau County office to draw down the funds and have them available at closing. A minimum of **three (3) weeks** should be allowed between when the signed documents are in the hands of the Long Island Housing Partnership and the date of the closing.

At closing, the recipient will be required to sign a Certification of Family Income and a Nassau County Note & Mortgage which is subordinate to the prime lender (institution providing the primary mortgage) and is for a period of ten (10) years. The Down Payment Assistance Program funds are essentially a deferred payment, non-interest loan, to assist the buyer in a first-time home purchase which are to be repaid to Nassau County if the home is sold or transferred within the ten (10) year period stated above. If the home is not sold or transferred within this time period, the loan is forgiven, a satisfaction of lien must be requested and no payments are ever made.

HOME Down Payment Assistance Program monies will be provided to the buyer by Nassau County at the closing. A representative of Nassau County office will attend the closing and will provide the check once legal matters have been satisfied.

XVIII. Complete Application Requirement

A non-refundable application fee of \$50.00 made payable to the Long Island Housing Partnership, Inc. is required with the application. Therefore, before you make an application for entrance into this program, read the guidelines thoroughly to be certain that you qualify. **Only one application is allowed. After being submitted, any changes to an application must be requested in writing *and* must be approved by the program review committee. Applications submitted after the deadline date of December 4, 2009 will not be considered.**

Applications must be completed in full with the \$50.00 application fee. Please mail completed applications to:

The Long Island Housing Partnership, Inc.
180 Oser Avenue, Suite 800
Hauppauge, NY 11788
Attention: Nassau County Down Payment Assistance Program

INQUIRIES:

LONG ISLAND HOUSING PARTNERSHIP, INC.
As agent for Nassau County office of Housing and Internal Affairs
Hauppauge Office:
180 Oser Avenue, Suite 800, Hauppauge, NY 11788
(631) 435-4710

Nassau Office:
LONG ISLAND HOUSING PARTNERSHIP, INC.
C/O Nassau County Office of Housing & Homeless Services
40 Main Street, Suite B
Hempstead, NY 11550
(516) 572-1903