



HOMEBUYER ASSISTANCE PROGRAM APPLICATION AND PROGRAM PROCESS

Thank you for your interest in the City's Homebuyer Assistance Program. This program provides deferred payment loans to income qualifying households looking to purchase homes in Hanford. Please see the attached fact sheet for the terms and conditions of the program.

The City's loan process has eight steps. More detail on the home selection and subsequent steps will be provided after your preliminary eligibility is determined.

Application

In order for the City to consider your loan request, you will need to complete a City of Hanford Homebuyer Assistance Program application. When submitting your application, keep in mind that you must:

- Submit an original application with all requested paperwork. The paperwork, paystubs, bank statements, etc., should be copies. The City will not return any paperwork submitted.
- Make sure to sign and date the application.
- Attach a lender's pre-qualification or pre-approval letter.

Submit your completed application in person by appointment only to:

Sandra Lerma-Martinez, Housing Administrative Analyst

559-585-4766

Roberta Monzelli, Housing Administrative Technician

559-585-2587

City of Hanford Housing

317 North Douty St, Hanford CA 93230

TDD/TYY, Dial 711

Income Eligibility Determination

Once the City receives your application packet, staff will determine if your household meets basic income and eligibility requirements. The City will rely on the information included in the City's application and the backup documentation provided.

Depending on the particular circumstances, the City may request additional information or documentation. Your ability to respond to the City quickly and accurately is critical. With your lender or agent, you are strongly encouraged to make a preliminary determination of income eligibility.



After income eligibility has been determined, you will be given a Pre-Qualification letter from the City confirming income eligibility and describing the next steps in the process.

Housing Counseling

HUD funded programs require a potential homebuyer to complete a homebuyer counseling course by HUD certified housing counselors. All applicants must provide a certificate of completion prior to issuing the Pre-Qualification letter. Information for HUD certified housing counselors will be provided with the application.

Home Selection

Working with your real estate agent, you will select one or more homes on which to make an offer. The home must be in Hanford and within the purchase price limit for the program. When your offer is accepted, your agent will send the City a copy of the Purchase and Sale Agreement.

If the home was built before 1978, the City's Housing staff also conducts a visual assessment. If deteriorated paint is found, such as peeling, chipping, chalking or cracking interior or exterior paint, the property is not eligible for purchase unless the deficiencies are corrected. The house must then be re-inspected and must pass the visual assessment prior to closing. If the house passes the visual assessment, the purchase process can continue.

Seller may correct the defects using proper procedures listed on the Seller Certification Form. Seller must submit the Seller Certification Form, obtain a Clearance Report and Lead Hazard Reduction Notice from a licensed risk assessor documenting that the house passed clearance prior to closing. See Program Guidelines for more requirements regarding homes built before 1978.

A visual assessment is also conducted for all properties to verify basic health and safety conditions.

Senior Loan Package

Once a purchase offer has been accepted, your agent and lender will need to submit the loan package for the City's review. City staff will review the loan request and accompanying documentation for compliance with the program guidelines. Information will also be reviewed for consistency and accuracy. City staff will work with the applicant, lender, and real estate agent to resolve any discrepancies.

Loan Committee

Once staff has determined that the loan request conforms to the guidelines, the property is eligible, and there are funds available, a request will be made to the Loan Committee. Any facts relevant to the lending decision will be noted in the request as will any conditions precedent to loan funding.

Loan Commitment and Funding

Once the Loan Committee has approved the loan request and all funding conditions have been met, staff will prepare loan documents and a request to fund escrow. The escrow funding request will be contingent on executed loan documents.

Closing

After close of escrow, the closing statement, HUD-1, will be reviewed by staff to confirm the details of the transaction as approved by the City and that you did not receive excess proceeds.

BUYER REQUIREMENTS								
Income Limit	80% of area median income, as calculated by HCD (see below) Revised 01/01/2022							
Household size (persons)	1	2	3	4	5	6	7	8
Maximum gross income (2021)	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400	\$64,850	\$69,350	\$73,800
First-time homebuyer status	No ownership in past three years, minimum of a 3 year period of continued employment and at present job a minimum of 6 months.							
Occupancy requirement	Owner-occupant, primary residence. Annual monitoring; City staff will obtain certification of primary residence from the homeowner each year throughout the 30-year lien. Loan due if not owner-occupied.							

Homebuyer Education Course	<p>Homebuyer counseling course required. Must provide a certificate of completion prior to closing escrow. Available in English or Spanish at:</p> <p>Community Services & Employment Training (CSET) 312 NW 3rd Ave, Visalia CA 93291 www.cset.org or 559-732-4194</p> <p>Self Help Enterprises 8445 W Elowin Court, Visalia CA 93291 www.selfhelpenterprises.org or 559-651-1000</p> <p>Fresno locations also available, information will be provided if interested in those locations.</p>
Credit history	Charge off and collection accounts required to be paid through escrow.

PROPERTY REQUIREMENTS

Eligible types	Single-family detached. May be newly constructed or existing, if existing, must be sound and not in need of rehabilitation, and property must comply with local building codes. (second units, pools and/or spas are not allowed and cannot be tenant occupied).
Location	Within incorporated limits of the City of Hanford.
Sales price limit	100% of Kings County median; \$244,000 as of June 01, 2021, New Construction \$304,000.
Inspection requirements	Home inspection by qualified inspector required. Pest inspection required.
Flood insurance	Required if in 100-year floodplain.

LOAN TERMS

Loan product	30-year "silent second" deferred-payment mortgage.
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Use of funds	Down payment and/or non-recurring closing costs.
Maximum loan amount	Up to \$75,000
Loan amount calculation	Actual loan amount calculated on what is needed to make monthly housing cost affordable to buyer. Buyer is expected to spend approximately 25-33% of gross income on housing.
Interest rate	2% simple.

Position	City must be in second position. Approval of primary loan required.
Deed restriction	None.
Required documents	Loan Agreement, Promissory Note, Deed of Trust, Request for Notice of Default, statutory lending notices.
Special requirements	Buyer eligibility must be confirmed prior to making purchase offer. Purchase offer must include City contingencies.

SENIOR LOAN REQUIREMENTS	
Loan product	Fixed-rate, fully amortizing, 30-year mortgage. Conventional, FHA, VA acceptable.
Maximum interest rate	Current market rate. No temporary rate buy-downs.
Minimum housing debt-to-income ratio	25%
Maximum housing debt-to-income ratio	33%
Minimum total debt-to-income ratio	33%

Maximum total debt-to-income ratio	42%
Minimum borrower contribution	1% of purchase price towards home purchase. (cannot be used toward closing costs)
Gift funds	Allowed. Must be evidenced by gift letter.
Impounds	Taxes and insurance required.

The City of Hanford does not discriminate on the basis of race, color, religion, sex, marital status, national origin, ancestry, familial status, disability, or sexual orientation in its employment opportunities, programs, services or activities.

PLEASE INCLUDE COPIES OF THE FOLLOWING DOCUMENTS WITH THE ATTACHED APPLICATION:

- Executed Financial Privacy Act Notice - attached
 - Executed Release of Information for all adults in the household - attached
 - Most recent two (2) months of paystubs for all employed adults
 - Current proof of income for other income sources for all adults
 - Most recent 3 years of federal income tax returns with W-2s for all adults
 - Most recent six months of all banking account statements for all adults (include all accounts and all pages of statements)
 - Most recent investment/retirement account statement for all persons (include all pages of statement)
 - Lender pre-qualification or pre-approval letter & **Copy of Credit Report** (from Lender)
 - Copy of Driver's License/ID and Social Security Card (each Appli
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City of Hanford
Application for First-Time Homebuyer Program



Loan Processors _____ DATE RECEIVED _____ EFFECTIVE DATE _____ File # _____

NOTE PLEASE READ "CERTIFICATION" PAGE 3 BEFORE FILLING OUT THIS APPLICATION

NON-ENGLISH SPEAKING HOUSEHOLD? YES _____ NO _____

Applicant's Name _____ Social Security # _____

Co-Applicant's Name _____ Social Security # _____

Street Address: _____

City _____ Zip _____

Mailing Address if different _____

County _____

Home phone: (____) _____ Applicant work phone: (____) _____

Applicant cell phone: (____) _____ Co-Applicant work phone: (____) _____

Co-Applicant cell phone: (____) _____

For statistical/government monitoring purposes only Enter code from list below (Information is voluntary)

Applicant's race _____ Co-applicant's race _____

Race of Household Code

- 11-White 12-Black/African American 13-Asian 14-American Indian/Alaskan 15-Native Hawaiian/other Pacific Islander 16-American Indian/Alaskan Native & White 17-Asian & White 18-Black/African American & White 19-American Indian/Alaskan Native & Black/African American 20-Other Multi-Racial

Hispanic Origin: Yes _____ No _____

Are any residents of the household employed by the Jurisdiction or its Program Operator? Yes _____ No _____	Has any of the applicants held ownership or interest in a property in the last three years? Yes _____ No _____ If yes, explain: _____
Do any residents of the household exercise any functions or responsibilities (or are they in a position to gain inside information) with respect to this housing program, including being a member of a governing body or agency of government that exercises housing policy, or have immediate family ties (by blood, marriage or adoption, including spouse, parent/step-parent, sibling, step-sibling, grandparent, grandchild and in-laws) to someone who does? Yes _____ No _____ If Yes to either, explain in box to the right.	(explanation) _____ _____ _____ _____ _____

INCOME SUMMARY: Check applicable sources of income currently and during the prior calendar year for any residents:

Wages _____ AFDC (TANF) _____ Interest _____ Other _____
 SSA _____ Disability _____ Rentals _____ (explain): _____
 SSI _____ Unemployment _____ Pension _____

STAFF USE ONLY BELOW THIS LINE

Total persons who live at address _____	In Target Area? _____No _____Yes
Total seniors in household _____	Conflict of Interest? _____No _____Yes
Annual Family Income _____	Handicapped: _____No _____Yes
Previous _____ Projected _____	FHOH? _____No _____Yes
Year's Income _____ Income _____	Farm worker? _____No _____Yes
\$ _____ \$ _____	
HCD Definition (Circle) LI VLI XLI	

FAMILY AND INCOME DETAILS

Last Name(s) _____ Address _____ File # _____

LIST ALL PERSONS WHO WILL BE LIVING IN THE PROPERTY BEING PURCHASED INCLUDING APPLICANT AND CO-APPLICANT(S).
NOTE: INCOME MUST BE IDENTIFIED IN TERMS OF "GROSS MONTHLY". IF NONE, PUT "NONE".

NAME	RELATIONSHIP	AGE	SEX	GROSS MONTHLY INCOME	OFFICE USE	
					ACTUAL INCOME	LS.
	Applicant					

INCOME INFORMATION

Gross family income would include income from any of the following sources or any other source of income: Wages, Self-Employment, Farming Income, Public Assistance, Social Security, Retirement Pensions, Veteran's or GI Benefits, Child/Spousal Support, Unemployment/Disability Insurance, Worker's Compensation, Contributions, Cash Gifts, Rental Income, Sale of Property, Foster Child Care, Interest, Dividends, Royalties, Scholarships, Grants and Loans for School.

PERSON RECEIVING INCOME	SOURCE OF INCOME	GROSS MONTHLY AMOUNT

EXPLANATION OF INCOME SOURCE, PATTERN(S), ANNUAL AMOUNT OR OTHER COMMENTS:

ASSET INFORMATION

CHECKING AND SAVINGS

Account Holder(s)	Bank or Credit Union	Account No.	Type	Balance
			Ckg____ Svg____	
Account Holder(s)	Bank or Credit Union	Account No.	Type	Balance
			Ckg____ Svg____	
Account Holder(s)	Bank or Credit Union	Account No.	Type	Balance
			Ckg____ Svg____	

LIST OTHER ASSETS

Retirement funds/stocks/bonds, etc. (from Income and Asset Inclusions checklist)

Family Member	Asset Description	Cash Value	Income From Assets

ASSETS (CASH, PROPERTY, ETC.) GIFTED OR SOLD BELOW MARKET VALUE IN LAST 24 MONTHS

Family Member	Asset Description	Value	Sales Price, or Gift (\$0)

APPLICANT		CO-APPLICANT		
Name and Address of Employer <input type="checkbox"/> Self-Employed		Name and Address of Employer <input type="checkbox"/> Self-Employed		
Position/Title/Type of Business Empl. Verif. Phone		Position/Title/Type of Business Empl. Verif. Phone		
Years on Job/Years employed in this line of work		Years on Job/Years employed in this line of work		
OTHER HOUSEHOLD MEMBER/JOB		OTHER HOUSEHOLD MEMBER/JOB		
Name Employer <input type="checkbox"/> Self-Employed		Name Employer <input type="checkbox"/> Self-Employed		
Position/Title/Type of Business Empl. Verif. Phone		Position/Title/Type of Business Empl. Verif. Phone		
Years on Job/Years employed in this line of work		Years on Job/Years employed in this line of work		
LIABILITIES List the creditor's name and account number for all outstanding debts, including but not limited to automobile loans, revolving charge accounts, alimony, child support, stock pledges, etc.				
Creditor Name	Account No.	Monthly Payments	Payments Left	Approximate Balance
Total of Liabilities		\$		\$
COMMENTS:				
ADDITIONAL INFORMATION				
List additional employment, assets or liabilities in the space provided below.				

CERTIFICATION--READ BEFORE SIGNING

I certify that this will be my primary residence of occupancy.

I certify that the information given on this form is true and accurate to the best of my knowledge. I certify that I have no additional income or assets and that there are no persons living in or contributing to my household other than those described here. I am aware that there are penalties for willfully and knowingly giving false information on an application for Federal or State funds. I understand that the information on this form is subject to verification. Penalties for falsifying information may include immediate repayment of all Federal or State funds received and/or prosecution under law.

Applicant Signature

Applicant Name

Date

Co-applicant Signature

Co-applicant Name

Date

CITY OF HANFORD

HOME Investment Partnerships Program (HOME): Income & Asset Inclusions

Type of Income	YES or NO	Type	Received from whom?	Amount Received Annually
1 The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees tips, and bonuses, and other compensation for personal services.				
2 The net income from the operation of a business of profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Services Regulations. Any withdrawal of cash or assets from the operation or business will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.				
3 Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family.				
4 The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount.				
5 Payments in lieu of earnings, such as unemployment and disability compensation, and severance pay.				
6 Welfare assistance, Welfare assistance made under the Temporary Assistance for Needy Families (TANF 45 CFR 260.31)) program.				
7 Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gift received organizations or from persons not residing in the dwelling.				
8 All regular pay, special pay, and allowances of a member of the Armed Forces.				

	Type of Assets:	YES or NO	Source	Value of Asset	Interest Earned Annually
1a	Cash held in savings accounts (current balance)				
1b	Cash held in checking accounts (avg. balance for last 6 mos.)				
1c	Cash held in safe deposit boxes				
1d	Other cash				
2	Cash value of revocable trusts available to the applicant.				
3	Equity in rental property or other capital investments.				
4	Cash value of stocks or bonds.				
5a	Cash value of Treasury bills, certificates of deposit and money market accounts.				
5b	Individual retirement, 401(K), and Keogh accounts (even though early withdrawal could result in a penalty).				
6	Retirement and pension funds.				
7	Cash value of life insurance policies available before death.				
8	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.				
9	Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.				
10	Mortgages or deeds of trust held by applicant.				
11	Assets (cash, property, etc.) gifted or sold below market value in last 24 months.				

APPLICANT'S CERTIFICATION

I/we certify that all information on this **City of Hanford HOME Investment Partnerships Program (HOME): Income and Asset Inclusions** form is true and correct to the best of my/our knowledge and I/we understand that any deliberate falsifications are grounds for rejection of the application. I/we consent to all verification of any information herein contained.

Applicant's Signature

Date

Co-Applicant's Signature

Date

Print Name

Print Name

Homebuyer Assistance Program Financial Privacy Act Notice



This notice is required by the Rights to Financial Privacy Act of 1978 to inform you of the types of financial records that are kept on file by the City of Hanford and which agencies or organizations have access to that information.

1. **Purpose of Financial Record Keeping.** Financial records are kept on file by the City of Hanford, and/or its assigned agents, for the purpose of documenting eligibility for the Homebuyer Assistance Program.
2. **Financial Records Kept on File.** Financial records kept on file include, but are not limited to, loan applications, income certifications, federal tax returns, employment verification, income verification, verification of benefits, personal credit reports, verification of assets, loan payment records, and other such information relating to the Homebuyer Assistance Program eligibility determinations and/or loan servicing.
3. **Right of Access.** Agencies and organizations that have right of access to financial information without further notice:
 - A. Federal and state agencies, including the:
 - U.S. Department of Housing and Urban Development
 - California Department of Housing and Community Development
 - B. Law enforcement agencies
 - C. Other agencies or organizations as required or permitted by law or court order
4. **Right of Access with Express Written Consent.** Except as described above, your financial records may not be shared or released to private individuals, private businesses, or other entities without your express written consent.

I/We acknowledge receipt of a completed copy of this statement.

Applicant

Date

Co-Applicant

Date

THE CITY OF HANFORD DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, RELIGION, SEX, MARITAL STATUS, NATIONAL ORIGIN, ANCESTRY, FAMILIAL STATUS, DISABILITY, OR SEXUAL ORIENTATION IN ITS EMPLOYMENT OPPORTUNITIES, PROGRAMS, SERVICES OR ACTIVITIES.



Homebuyer Assistance Program
Authorization for Release of Information



To Whom It May Concern:

I/We the undersigned have applied for a loan through the City of Hanford's Homebuyer Assistance Program ("Program"). As a part of the application process, I/we authorize the City of Hanford, its employees, and authorized agents to verify any information necessary to evaluate my/our eligibility and creditworthiness in connection with my/our Program application, including, but not limited to, the following:

1. Credit history
2. Bank and investment accounts
3. Employment and income
4. Benefits
5. Bankruptcy
6. Outstanding obligations
7. Federal debarment status
8. Rental history
9. Mortgage loan application and proposed terms and conditions

I/We authorize you to provide to the City of Hanford any and all such documentation they request, and I/we hereby release you and your organization from liability or damage which may result from furnishing the information requested to the City of Hanford.

I acknowledge that:

1. A photocopy or facsimile copy of this form is as valid as the original.
2. I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
3. I have the right to copy information from this file and to request correction of information I believe inaccurate.
4. All adult household members will sign this form and cooperate with the City of Hanford.

Applicant Name	Social Security Number	Date of Birth
Signature		Date
Co-Applicant Name	Social Security Number	Date of Birth
Signature		Date

The City of Hanford does not discriminate on the basis of race, color, religion, sex, marital status, national origin, ancestry, familial status, disability, or sexual orientation in its employment opportunities, programs, services or activities.

