1. **Home Purchase Assistance Strategy:**

a. **Summary of the Strategy:** SHIP 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:** 2008/2009 - 2009/2010

c. **Income Categories to be served:** Very-low, Low and Moderate Income households.

d. **Maximum award is noted on the Housing Delivery Goals Charts:**
The maximum awards have been changed as follows:
Very low income – from $40,000 to $20,000
Low income – from $30,000 to $15,000
Moderate income – from $10,000 to $5,000
Average award - $12,500

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. Refinancing with the purpose of achieving greater affordability such as by lowering the interest rate, reducing the number of years of the original mortgage, adding living space due to an increase in household size, and debt consolidation will be approved on a case-by-case basis, one time only and the loan must be in good standing for a minimum of eighteen months as long as there is no cash paid to the homeowner.
The homeowner may repay the loan in full 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 foreclosure. Default requires immediate repayment of the SHIP 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 SHIP funds. If waiting lists exist, new applicants will be added to the existing list. Applicants may submit a completed SHIP 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, 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:** SHIP 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 SHIP funds. Manufactured (Modular) homes must have a DCA approval decal in order to qualify. Recipients of SHIP Home Purchase Assistance funds will not be eligible for any other SHIP 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:

   i. Application fee
   ii. Appraisal review
   iii. Closing fee
   iv. Discount points
   v. Origination fee
   vi. Processing fee
   vii. Underwriting fee
   viii. Mortgage broker fee
   ix. Administrative fee
   x. 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:

Type of Fee	Maximum Allowable Charge
Appraisal	$400
Appraisal Re-certification	$100
Credit Report	$25 per person
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

l. **Loan-To-Value/Back End Ratios:** Where SHIP 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.