



City of Plano / Community Services Division

Acquisition/Rehabilitation/Resale (ARR) Application

The City of Plano's Housing Rehabilitation Program offers Acquisition/Rehabilitation/Resale (ARR) with funds from the U.S. Department of Housing and Urban Development (HUD), through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).

Through ARR, the City of Plano acquires, rehabilitates, and resells residential property in order to: revitalize neighborhoods; ensure the safe, decent and sanitary condition of properties located within the City boundaries; and maintain its stock of affordable housing. Once repaired, the properties are offered for sale to eligible, income-qualified households.

To make the home affordable, an Affordability Subsidy (Subsidy) may be provided in the form of a deferred payment loan with additional down payment and closing cost assistance if needed.

Potential Homebuyer(s) must be income eligible and qualified under the City of Plano's underwriting criteria.

To apply, please complete the application, collect the listed documents, and call (972) 208-8150 to schedule a face-to-face interview.

APPLICATIONS WILL NOT BE ACCEPTED BY FAX OR EMAIL.

City of Plano
Community Services
7501 Independence Pkwy., Building A
Plano, TX 75025
Phone 972-208-8150
EQUAL HOUSING OPPORTUNITY

It is a criminal offense to make false statements or misrepresentations to any department or agency of the U.S. as to any matter within its jurisdiction.

(Section 1001 of Title 18, U.S. Code)



REQUIRED DOCUMENTS



Please collect the following documents for all household members* and bring them to your face-to-face interview.

* All household members includes both related family members and all unrelated people sharing a housing unit at the time of the application.

1. Last six (6) paycheck stubs (covering last 3 months) for each working member of the household
2. Last two (2) years' income tax returns and W2's for every household member (provide the last 3 years' returns if self-employed)
3. Verification of any other sources of earned and unearned income for all family members (Social Security, SSI, TANF, unemployment, Medicaid, child support, alimony, retirement, food stamps, Section 8, worker's compensation, retirement benefits, VA benefits, rental income, etc.)
4. Last six (6) months bank statements on all accounts, including checking accounts, savings accounts, stocks, bonds, CDs, money market accounts, 401(k)s and retirement accounts of all household members. The statements must include all pages, the name(s) of the account owner(s), and all transactions occurring during the reporting period.
5. Twelve (12) most recent utilities statements or summary of charges with payments covering the same period (gas, electricity, water)
6. Social Security cards of all household members
7. Photo identification for the applicant, co-applicant and all household members 18 years or older (Driver's license, passport, permanent resident cards, etc.)
8. Proof of citizenship for every member of the household (one of the following documents: birth certificate, permanent resident card, passport). Driver's license and social security card are not proof of citizenship.
9. Lender Pre-qualification Letter

* **If applicable:**

____ Copies of any debt owed not appearing on credit bureau reports

____ Divorce decree, court ordered child support information, and attorney general's statement of payment

NOTE: THIS INFORMATION WILL REMAIN CONFIDENTIAL, AND WILL BE USED SOLELY FOR THE PURPOSE OF ESTABLISHING ELIGIBILITY. DOCUMENTS ARE GOOD FOR ONLY SIX MONTHS. THEREFORE, SOME DOCUMENTS MAY HAVE TO BE UPDATED IF YOU ARE IN THE PROCESS OF CLOSING. IF YOU HAVE NOT FOUND A HOME IN SIX MONTHS, YOUR FILE WILL BE CLOSED.

Please complete the application THOROUGHLY and ACCURATELY. Failure to provide complete and accurate information may result in denial of assistance.

CITY OF PLANO

ARR Application

SEQUENCE OF EVENTS

- Homebuyer(s) must receive housing counseling by HUD approved agency. Thus we ask that you start your home buying process by contacting a housing counseling agency first.
- All applicants and spouses must complete an 8-hour Homebuyer Education Class, so we recommend that the applicants register for the Homebuyer Education class to determine if purchasing a home is the right option for the applicants.
- To apply, the applicants must complete and sign an application, a policy statement, a general policy form, and a housing counseling agreement. An incomplete application and/or applications, without the required supporting documentation, will not be processed.
- The prospective applicants must have been pre-qualified by a lender prior to a face-to-face appointment with a Housing and Community Services Coordinator(Coordinator). Documentation of lender pre-qualification is required as part of the application submittal documents.
- After completing an application and pre-qualification by a lender, please call 972-208-8150 to schedule a face-to-face appointment with a Coordinator. The appointment may last up to 2.5 hours, and is normally scheduled between 8:00 am to 3:00 pm.
- The Coordinator will determine eligibility and inform the applicant. Approvals are valid for 5 months from the date of the application.
- Once the applicant is under contract on a particular property, a copy of the contract shall be provided to the Coordinator.
- The Coordinator will provide a letter of eligibility to the mortgage lending institution and request a copy of the loan documents.
- An eligible property must meet the City of Plano's minimum standards for "decent, safe, sanitary" and be in good repair condition, as certified by a Project Coordinator. Required inspection or testing will be conducted for all potentially assisted properties built prior to 1978. If peeling or cracked paint is found to exceed HUD's lead limits, a lead risk assessor will test the home for lead after obtaining permission from the homeowner. If lead is found, it must be removed according to HUD regulations before funding will be granted. The property is also subject to HUD environmental review requirements that will be completed by a Project Coordinator.
- The mortgage and title companies should alert the Coordinator when closing will occur.
- The title company will fax the Coordinator the note and deed of trust from the first lien holder, the wiring instructions, the Schedule A of the title commitment, and the closing settlement statement.
- The Coordinator will then determine the grant amount, send closing documents, and wire funds to the title company.



NOTICE OF PENALTIES FOR MAKING FALSE OR MISLEADING STATEMENTS

Applicant(s) Name: _____

Current Address: _____

WARNING:

Intentionally, or knowingly making a materially false or misleading statement to obtain property or credit, including, but not limited to, a mortgage loan, is a violation of Section 32.32, of the Texas Penal Code, and depending on the amount of the loan or value of the property, is punishable by imprisonment for a term of 2 years to 99 years, and a fine not to exceed \$10,000.

I/we the undersigned home loan applicant(s), represent that I/we have received, read, and understand this notice of penalties for making a materially false or misleading written statement to obtain a home loan.

I/we represent that all statements and representations contained in my/our written ARR application, including statements or representations regarding my/our identity, employment, annual income, and intent to occupy the residential real property secured by the home loan, are true and correct.

Applicant Date Co-Applicant Date

THE STATE OF TEXAS §

§

ACKNOWLEDGMENT

COUNTY OF COLLIN §

§

This instrument was acknowledged before me on the ____ day of _____ 20____,

by _____.

NOTARY PUBLIC in and for the State of Texas

**Acquisition/Rehabilitation/Resale (ARR)
APPLICATION**

I. Borrower Information

Borrower's Name (include Jr. or Sr. if applicable)			Co-Borrower's Name (include Jr. or Sr. if applicable)		
Social Security #	Home Phone	DOB	Social Security #	Home Phone	DOB
Cell Phone # :			Cell Phone # :		
Email:			Email:		
Marital Status: <input type="checkbox"/> Married		# of Dependents: _____	Marital Status: <input type="checkbox"/> Married		# of Dependents: _____
<input type="checkbox"/> Single <input type="checkbox"/> Divorced			<input type="checkbox"/> Single <input type="checkbox"/> Divorced		
Present Address: (street, city, state, zip)			Present Address: (street, city, state, zip)		
Landlord Name & Phone #:			Landlord Name & Phone #:		
Previous Address:			Previous Address:		
Landlord Name & Phone #:			Landlord Name & Phone #:		

II. Household Composition

List everyone living in the house other than the borrowers listed above.

Legal Name	Sex (M/F)	Date of Birth	Age	Social Security #	Relation to Borrowers

III. Employment Information

List all employers of anyone living in the home, including children. Income of all persons living in the home will be considered, including those not listed on the mortgage.

Borrower		Co-Borrower	
Name and Address of Current Employer:		Name and Address of Current Employer:	
Your Work Phone #:	Fax #:	Your Work Phone #:	Fax #:
Manager Name and Phone #:		Manager Name and Phone #:	
Hire Date:		Hire Date:	
Position/Title/Type of Business:		Position/Title/Type of Business:	
Yrs. On this job:	Yrs. Employed in this line of work:	Yrs. on this job:	Yrs. employed in this line of work:
Estimated Gross Monthly Income:		Estimated Gross Monthly Income:	
If employed in current position for less than two years or if currently employed in more than one position, complete the following:			
Borrower		Co-Borrower	
Name and Address of Current Employer:		Name and Address of Current Employer:	
Your Work Phone #:	Fax #:	Your Work Phone#:	Fax #:
Manager Name and Phone #:		Manager Name and Phone #:	
Hire Date:		Hire Date:	
Position/Title/Type of Business:		Position/Title/Type of Business:	

Borrower		Co-Borrower	
Yrs. On this job:	Yrs. Employed in this line of work:	Yrs. On this job:	Yrs. Employed in this line of work:
Estimated Gross Monthly Income:		Estimated Gross Monthly Income:	

Employment of Other Household Members	
Name:	Name:
Employer:	Employer:
Address:	Address:
Phone #:	Phone #:
Hire Date:	Hire Date:
Estimated Gross Monthly Income:	Estimated Gross Monthly Income:
Manager name and phone #:	Manager name and phone #:

Employment of Other Household Members	
Name:	Name:
Employer:	Employer:
Address:	Address:
Phone #:	Phone #:
Hire Date:	Hire Date:
Estimated Gross Monthly Income:	Estimated Gross Monthly Income:
Manager name and phone #:	Manager name and phone #:

IV. Combined Monthly Income

List all income received from household members.	Borrower	Co-Borrower	Other Household Member	Total
Base Employment Income	\$	\$	\$	\$
Overtime				
Bonus				
Commission				
Child Support/Alimony				
Social Security Benefits				
Veteran's/Retirement Benefits				
Stock/Dividends/Interest				
Other				
Total 1	\$	\$	\$	\$
List all Bank Accounts and assets information of all household members				
(Includes: CDs, 401K, checking, savings, etc.)	Account Number	Account Balance	Type of Account (savings, checking, retirement, etc.)	Account Name
Total 2		\$		\$

Self-Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

V. Combined Monthly Expenses

Current Monthly Rent	\$
Rental Insurance	\$
Monthly Water Bill	\$
Monthly Gas Bill	\$
Monthly Electricity Bill	\$
Auto Loans	\$
Auto Insurance	\$
Child Support Payment	\$
Childcare	\$
Minimum Monthly Payments of all Credit Cards	\$
Student Loans	\$
Medication & Prescriptions (copay and etc.)	\$
Monthly Groceries Expenses	\$
Restaurants/ Eating out	\$
Gasoline and other automotive expenses	\$
Cable	\$
Internet	\$
Phone Bills	\$
Other monthly subscriptions	\$
Other:	\$
Other:	\$
Other:	\$
Other:	\$

VI. Declarations

	Applicant		Co-Applicant	
	YES	NO	YES	NO
a. Are there any outstanding judgments against you?				
b. Have you been declared bankrupt within the past 7 years?				
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?				
d. Are you a party to a lawsuit?				
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of the lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)				
f. Are you presently delinquent or in default on any federal debt (including income taxes and federal student loans) or any other loan, mortgage, financial obligation, bond, or loan guarantee?				
g. Are you obligated to pay alimony, child support, or separate maintenance? If yes, amount \$ _____				
h. Is any part of the down payment borrowed? (other than FTHB program)				
i. Are you a co-maker or endorser on a note?				
j. Are you a U.S. citizen?				
k. Are you a permanent resident alien?				
l. Do you intend to occupy the property as your primary residence? If "Yes", complete question m. below:				
m. Have you had an ownership interest in a property in the last three years?				
(1) What type of property did you own – principle residence (PR), Second home (SH), or investment property (IP)?				
(2) How did you hold title to the home – by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?				

If you answered "Yes" to any questions a. through i., please use the blank space below for explanation:

VIII. Certifications

Applicant Certification:

The applicant certifies that all information provided in this application for the purpose of obtaining a loan is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application is a Federal crime punishable by fine or imprisonment, or both. The applicant also understands that incomplete, incorrect, or false information on the application and provided documents are grounds for denial or termination of the assistance.

(APPLICANT'S INITIALS REQUIRED) _____

The loan requested pursuant to this application will be secured by a deed of trust on the property purchased using the down payment assistance through the City of Plano's First Time Homebuyers Program.

(APPLICANT'S INITIALS REQUIRED) _____

Penalty for False or Fraudulent Statement:

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

I/We understand that the U.S.C. Title 18, Part I, Chapter 47, Sec. 1001, provides that: "...whoever, in any matter within the jurisdiction of any department or agency of the Government of the United States, knowingly and willfully falsifies...or makes any fictitious or fraudulent statements of representation, or makes or uses a false writing or documents knowing that same to contain false, fictitious, or fraudulent statement or entry, shall be fined under this title, imprisoned not more than 5 years..."

Applicant's Signature

Date

Name: _____

Co-Applicant's Signature

Date

Name: _____

IX. Credit Report Authorization and Privacy Disclosure Form

I/We hereby authorize and instruct the City of Plano to order a consumer credit report and verify other credit information. My credit report will be obtained from a credit-reporting agency chosen by the City of Plano. I understand and agree that the City of Plano intends to use the credit report for evaluating my financial readiness to purchase a home and to qualify for the Housing Rehabilitation program-ARR. It is understood that a photocopy of this form also will serve as authorization.

I/We hereby authorize the City of Plano to verify my/our information with the Credit Alert Verification Reporting System (CAIVRS). CAIVRS Authorization is used to access CAIVRS and determine if a potential borrower has a Federal debt that is currently in default or foreclosure or has had a claim paid by the reporting agency within the last three years. Federally approved lenders must use CAIVRS to pre-screen all applicants for Federally insured loans, except for FHA streamline refinance cases. CAIVRS provides up to ten sets of information for each borrower. A unique Authorization Number is issued each time a borrower is checked in CAIVRS (this is also referred to as the Confirmation Code). This number is entered by the lender (underwriter) on the Mortgage Credit Analysis Worksheet, form HUD-92900-PUR (or form HUD-92900-WS).

My/Our signature(s) below also authorizes the City of Plano to release to credit reporting agencies and/or Federal/State agencies a copy of the undersigned's application, including financial information, income, assets, liabilities, employment and other information that the applicants have provided to the city in connection with the application to participate in the Program.

In connection with determining my ability to obtain a mortgage or any other affordable housing loan,

I authorize I do not authorize

the City of Plano to share with potential mortgage lenders and/or counseling agencies my credit report and/or any information I have provided including any computations and assessments that have been produced based upon such information. Such lenders and counseling agencies may contact me to discuss home loans and counseling services for which I may be eligible.

I/We understand that I/we may revoke my/our consent to these disclosures by notifying the City of Plano in writing.

Signature: _____

Co-Applicant's Signature: _____

Applicant's Name:

Co-Applicant's Name:

Last 4 digits of SS #: _____

Last 4 digits of SS #: _____

Date: _____

Date: _____

City of Plano

Acquisition/Rehabilitation/Resale (ARR)

Policy Statement

Qualifying Criteria:

- The applicant(s) must have a total household income at or below 80% of Dallas area median income (based on total household gross income) and provide written verification of income. *Income from every resident will be used for determining eligibility, including non-mortgagors (those not on the mortgage).* Income will be calculated using the Annual Income Method described in Title 24, Part 5 of the Code of Federal Regulations. The income will be calculated from pay stubs, recurring overtime, bonuses, social security, disability, child support, additionally, annual interest of .06% of total cash assets will be included.

Current HUD Income Limits *

Household Size	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
Income Limits	\$43,250	\$49,400	\$55,600	\$61,750	\$66,700	\$71,650	\$76,600	\$81,550

*Income Limits are subject to change at any time.

- All applicants must be U.S. citizens or permanent legal residents. Documentation of residency and citizenship for all household members are required as part of the application, including current government-issued photo identification from the applicant and the co-applicant. The Residency Verification forms must be completed and all necessary documents provided. The Patriot Act form must be completed, and a Watch List Report pulled.
- Prior to the application, the applicant(s) must be pre-qualified for a home loan that conforms to the City of Plano's requirements. A pre-qualification letter is required as part of the application submittal documents.
- While the applicant(s) is not required to live in the city of Plano at the time of the application, the home must be located in Plano, Texas. The maximum sales price is HUD's HOME maximum value. The home may be new or pre-owned, attached [no more than four (4) units attached], detached, fee simple ownership, condominium, or cooperative ownership. It may not be purchased on a contract for deed or rent-to-own.
- All applicants and spouses must receive housing counseling and complete an 8-hour Homebuyer Education Class held by the City of Plano or by a HUD-approved counseling agency as evidenced by a Certificate/Letter of Completion. Internet courses and/or videotapes for individual viewing cannot be substituted for class attendance. The homebuyer education completion certification is valid for one year.
- Completed application(s), along with all required documentation, will be reviewed at a *required* face-to-face meeting with a Coordinator. Applications with missing or incomplete required supporting documentation will not be processed.

- The applicant(s) may not have cash assets or cash available in excess of \$30,000. This includes gift(s), liquidation of 401(k)s, and funds from sale of personal property. Retirement funds are not included.
- The Homebuyer(s) whose name appears as the owner(s) of the property on the Deed of Trust, and their spouse, must have a minimum credit score of 620 to qualify. Spouse and/or co-borrowers without a credit score may be eligible providing that non-traditional credit history (minimum of 3 creditors) can be verified and have no more than two (2) 30-day late payments in the previous 12 months. Any judgments against the homebuyer(s) must be paid off. Any bankruptcy must have been discharged for at least two (2) years and good credit re-established.
- The debt ratios of the homebuyer(s) with credit scores between 620 to 699 and/or homebuyer(s) with a spouse and/or co-borrower without a credit score should not exceed 36% on the front end and 45% on the back end of gross monthly income. Homebuyer(s) with a credit score of 700 or higher may increase their debt ratio up to 40% on the front end and 55% on the back end of the gross monthly income, but must have a 3-month cash reserve. Assistance provided cannot result in the homebuyer's front end ratio of less than 20% of gross monthly income. Ratios are determined by the mortgage lender prior to closing.
- The homebuyer(s) must be approved by an in-house underwriting process, including but not limited to: credit history, financial capacity, capital, employment stability, and general ability to maintain the home throughout the affordability period.
- The homebuyer(s) must provide evidence that they have cash reserves that equal or exceed one month of the total house payment prior to closing.
- The inspection by the Community Services Department is required, in addition to the State Certified fee-paid home inspection.
- Houses built before 1978 are subject to a visual lead paint inspection and are not to have cracked or peeling paint that exceeds HUD guidelines.
- The City of Plano will not allow assistance if relocation costs are applicable. If the home to be purchased was occupied by a tenant at the time the home was placed on the market, proof must be provided that demonstrates the tenant was not forced to leave due to the sale of the property.
- Non-arms-length transactions are not eligible. This means that everyone involved must act independently and have no relation to one another, with exception of real estate agents working with a community housing development organization and/or its builder. It is assumed that, with no personal interest in the relationships between parties, the transaction will be fair and equitable to all parties.
- The borrower (s) may not receive ANY cash from the transaction.

Qualifying criteria may be subject to change.

Being approved and being eligible does not guarantee your offer will be accepted.

I have read and understood the Policy Statement.

Applicant's Signature

Date

Applicant's Signature

Date

Equity Sharing Overview

The Shared Equity is only calculated and owed to the City, if prior to 30 years, the Homeowner(s) moves out, refinances (cash-out), transfers title, sells, rents the property, or violates any term under the deed of trust and promissory note. The Shared Equity is forgiven if the Homeowner lives in the home for 30 years. The Shared Equity Agreement will be signed at close of escrow.

The City's shared equity or shared appreciation is determined based on the percentage equal to the percent of the City's contribution to the original acquisition cost. The percentage of the shared equity is calculated using the formula below:

Percentage of City's Shared Equity = (City's Contribution ÷ Initial Acquisition Cost) x 100

Initial Acquisition Cost includes purchase price as shown in the settlement statement, plus closing costs, but excludes any pre-payments of mortgage interest, property taxes, and insurance.

Example A: Determining the percentage of City's shared equity

Purchase Price	\$250,000
Plus Closing Cost excluding any pre-payments of mortgage interest, property taxes, and insurance	<u>\$ 9,000</u>
Initial Acquisition Cost	<u>\$259,000</u>

In this example, if the City provides Subsidy in the amount of \$55,000, the percentage of City's Shared Equity is 21.23% [(\$55,000 ÷ \$259,000)x100].

Amount: The City's Shared Equity Amount will be calculated based on the formula below:

City's Shared Equity = The Total Equity to be Shared x Percentage of City's Shared Equity

The Total Equity to be Shared is determined based on disposition value less original first lien mortgage, less Homebuyer's initial cash contribution, less Homeowner's substantial home improvements completed within 24 months of the executed date of purchase contract, and less closing costs paid by the Homeowner.

Example B: Determining the Equity to be shared upon selling the home prior to 30 years

New estimated sales price or disposition value	\$300,000
<u>Less</u> Original Mortgage Loan (first lien-original amount)	\$200,000
<u>Less</u> City's Contribution	\$ 55,000
<u>Less</u> Homeowner's initial contribution	\$ 1,000
<u>Less</u> Homeowner's substantial improvement within 24 months prior to sale	\$ 0
<u>Less</u> Closing costs paid by the Homewoner (Seller) per settlement statement	\$ 9,000
Total Equity to be Shared:	<u>\$ 35,000</u>

In these examples (A & B), the City will receive the share equity in the amount of \$7,430.50 [\$35,000 x 21.23% (Example A)].

By signing this document, I/we certify that I/we have read and understood the information provided above.

Applicant's Signature Date

Co-Applicant's Signature Date

City of Plano

General Requirements - ARR

1. In order to increase housing choices for low to moderate income households, the ARR allows eligible, qualified applicants the opportunity to receive financial assistance in the form of an Affordability Subsidy(Subsidy). Additionally, if needed, qualified homebuyer(s) may be eligible to receive down payment and closing cost assistance in the amount up to ten percent (10) of HOME funds used in the acquisition rehabilitation project, total not to exceed \$55,000.

Earnest and option money will be considered the homeowner's contribution to the down payment. City staff determines if there is a need for funding, and only the amount needed to close the transaction will be paid, based on the settlement statement.

HOMEBUYERS WILL BE ELIGIBLE FOR ONLY ONE ARR LOAN IN THEIR LIFETIME. THIS APPLIES, REGARDLESS IF THE FIRST HOME WAS SOLD, AND REGARDLESS IF THE FAMILY DYNAMICS HAVE CHANGED.

2. Permitted closing costs include customary and reasonable fees that do not exceed the actual cost of the service provided including pre-pays and mortgage insurance paid in cash, but not mortgage insurance financed.
3. Fixed-Rate Loans: VA, FHA, and Conventional are all eligible.
4. A loan with non-occupying borrower (co-signer) is ineligible.
5. For the buyer's protection the following restrictions are placed on loan programs:
 - a) Adjustable rate mortgages are not allowed.
 - b) No-income, no-asset loans and negative amortization loans are not allowed.
 - c) "Interest only loans" are not allowed.
 - d) Multiple loans (example 80/20) are not allowed.
 - e) No "stated income" loans are allowed.
 - f) Interest rate is restricted to no more than 1.0% above "A paper" market rate for the same loan program.
 - g) Settlement costs are not to exceed 4.25% of the sales price unless an exception is approved. The 4.25% includes loan fees paid at closing, pre-pays, escrows, and title company charges, but DOES NOT include discount points, financed mortgage insurance, or costs paid by the lender or seller.
 - h) The Coordinator has the right to deny funding if, in their professional opinion, the buyer's current financial position represents too much of a credit risk, or that the first lien program is not in the best interest of the buyer.

6. To make the home affordable, a minimum of thirty-five percent (35%) of the HOME funds used in the ARR project plus additional closing cost assistance of not more than 10% of HOME funds; total not to exceed \$55,000, will be provided in the form of a 15 year deferred-forgivable, 0% interest loan with a 30-year term of shared equity agreement.

7. Subsidy will be forgiven if the Homebuyer(s) lives in the home as their primary residence and complies with the terms of the Note for 15 years. However, prior to the 15th year, if the Homebuyer(s), moves out, sells, leases, refinances (cash-out), obtains equity loan, transfers title, or violates a term of the Note, the Homebuyer(s) must pay back the entire amount of assistance **plus** shared equity as specified in the equity sharing agreement.

8. Although the Subsidy is forgiven after 15 years, the shared equity remains for 30 years and is forgiven after 30 years. The Shared Equity is calculated and owed to the City, if prior to 30-year term, the Homebuyer(s) no longer uses the home as their primary residence, sells, leases, refinances (cash-out), obtains equity loan, transfers title, or violates a term of the Real Estate Lien Note. The Shared Equity is forgiven when the full 30-year term is met.

9. In order for a property to be eligible, the home must be decent, safe, sanitary, in good repair, and meet the City of Plano's minimum housing standards and all applicable codes as certified by an inspection conducted by the City of Plano's Community Services Coordinators. Houses built prior to January 1, 1978 are subject to an inspection to determine if there is presence of lead-based paint. Should the amount of lead-based paint be greater than HUD's de minimis standards, samples will be sent to a lab for analysis. If the paint is determined to contain lead above HUD's level of concern, the City will not be able to provide any financial assistance, unless paint stabilization of lead base-paint hazards is performed. The stabilization must be completed by an individual or company trained and certified in Lead Safe work practices. No assistance will be provided until the house successfully passes a clearance test performed by a certified lead risk assessor.

10. At closing, a second lien promissory note, deed of trust, and equity sharing agreement must be signed by the applicant. This lien will be subordinate to the lenders lien on the property. The City will not accept less than second lien position.

11. Refinance: During the affordability period, borrower(s) may refinance the existing first mortgage to lower the interest rate and/or lower monthly payment. Cash-out refinance for debt consolidation, or for any other purposes than lower the existing interest rate and/or lower monthly payment is not eligible.

I have read and accepted the terms of the General Requirements.

Applicant's Signature

Date

Applicant's Signature

Date

HOUSING COUNSELING DISCLOSURE

Purpose of Housing Counseling.

I/We understand that the purpose of the housing counseling program is to provide one-on-one counseling to help customers address those problems that prevent affordable mortgage financing. I understand that the counselor will analyze my/our financial and credit situation, identify those barriers preventing me/us from obtaining affordable mortgage financing, and develop a plan to remove those barriers.

When applicable, the counselor will also provide assistance in debt-load management with the preparation of a monthly and manageable budget plan. I/We further understand that it will not be the responsibility of the counselor to repair the problem for me/us but rather to provide guidance and education to empower me/us in repairing those issues preventing affordable mortgage financing.

Mortgage Financing Assistance.

Upon completion of the housing counseling program, I/we understand that the counselor can help to identify those loan programs that suits my/our needs. Upon completion of the program, and with my/our permission, my/our customer information will be transferred to my/our selected lender. I/We understand that the counselor will monitor my/our loan progress to ensure the loan process runs smoothly and provide assistance as needed. I/We understand that the counseling agency does not guarantee that I/we will receive mortgage financing from the chosen lender.

Homeownership Education Classes.

I/We understand that as part of the housing counseling program, I/we will be required to attend group homeownership education classes.

Applicant's Responsibility.

I/We understand that it is our responsibility to work in conjunction with the counseling process and that failure to cooperate will result in the discontinuation of my counseling program. I/We understand that I/we are not obligated to receive, purchase, or utilize any other services offered by the housing counseling agency, or its exclusive partners, in order to receive housing counseling services.

Signature of Applicant : _____

Signature of Co-Applicant: _____

Part A: To be completed by counseling recipient/applicant

Counseling Recipient Certification:

I/We certify that I/we received the housing counseling and education services listed below from the housing counselor and agency named in this form.

Counseling Recipient's Name (Printed): _____

Counseling Recipient's Signature: _____

Date of Signature: _____

Topics and Activities Covered

A. Analysis of client's financial situation, including

- * a review of the client's income, expenses, spending habits and use of credit;
- * a comparative analysis of renting versus owning, given the client's financial situation;
- * the establishment of a household budget the client can afford; and
- * development of an action plan to help the client become "mortgage ready".

B. Decision to purchase a home, including

- * budgeting, credit, assessing homeownership readiness;
- * shopping for a home; and
- * sale or other disposition of home

C. Issues arising during and affecting the period of homeownership, such as

- * home maintenance and homeownership expenses (including preventive maintenance, taxes, insurance, homeownership association, condo, or other fees;
- * refinancing, default, and foreclosure; and
- * sale or other disposition of a home.

Name of HUD-Approved Counseling Agency

Agency Address:

Telephone Number: _____

FIRST TIME HOMEBUYER CLASSES

1. **Classes are mandatory for all down payment assistance applicants.** To attend, you must register online at Plano.gov/650/First-Time-Homebuyers-Program. If special language needs are required, please contact 972-208-8150. All applicants and their spouses must attend the class even if they are not listed on the mortgage. **Please do not bring children.**
2. Classes are normally held on the third (3rd) Saturday of each month. Please visit the website for more information. Class begins at 8:30 A.M. and concludes at 4:30 P.M. You should arrive by 8:15 A.M. **You will not receive a certificate if you come in after the instruction begins.**
3. Sponsors are sought to pay for all materials. If a sponsor is not found for the class, there could be a charge for the instruction booklet.
4. Lunch will be a “working” lunch, so there will not be time to leave the building. Lunch is typically provided by a class sponsor. You will be notified, prior to the class, if you will be responsible for lunch.
5. A certificate of completion will be given out after the class.
6. Professional mortgage loan officers and realtors will be in attendance. Any business relationship will be at your discretion.

Applicant

Date

Co-Applicant

Date

City of Plano
ARR Application
Non-Use of Lead-Based Paint

I/WE, THE UNDERSIGNED PROPOSED HOME PURCHASER, HEREBY CERTIFY THAT I/WE HAVE RECEIVED A COPY OF THE EPA BROCHURE TITLED "LEAD-SAFE CERTIFIED GUIDE TO RENOVATE RIGHT".

HOMEBUYER/APPLICANT DATE

HOMEBUYER/CO-APPLICANT DATE

Section 1. Applicant Information and Verification. To be completed and signed by applicant.

Print Name:	Last	First	Middle Initial	Maiden Name:
Address: (Street Name and Number)			Apt. #:	Date of Birth: (month/day/year)
City	State	Zip Code		Social Security #:
I attest, under penalty of perjury, that I am (check one of the following): 1. <input type="checkbox"/> A citizen or National of the United States 2. <input type="checkbox"/> A lawful Temporary or Permanent Resident or his/her spouse or child (Alien or Admission # _____) 3. <input type="checkbox"/> A nonresident or undocumented alien			Regulations governing this program do not allow non-resident or undocumented aliens to receive housing assistance, pursuant to 42 USCA §1436a	
			If I have checked the box at the left as a Temporary or Permanent Resident or his/her spouse or child, I attest, under penalty of perjury, that I have abandoned, or am abandoning, my residency in any foreign country, that I do not intend to join my spouse or parent in any foreign country, and that I am not a student.	
Applicant's Signature:				Date: (month, day, year)

Section 2. Review and Verification. To be completed and signed by City. Complete the following section identifying forms of documentation examined as proof of residency.

1. Citizen of National of the United States: <input type="checkbox"/> Social Security Card #: _____ <input type="checkbox"/> Birth Certificate County: _____ State: _____ <input type="checkbox"/> U.S. Passport # _____ <input type="checkbox"/> Certificate of Naturalization #: _____ <input type="checkbox"/> Other: _____	2. Temporary or Permanent Resident, his/her spouse or child: <input type="checkbox"/> Social Security Card #: _____ <input type="checkbox"/> U.S. Passport #: _____ <input type="checkbox"/> Resident Alien Card #: _____ <input type="checkbox"/> Alien Registration Card #: _____ <input type="checkbox"/> Other: _____ Alien File #: _____	
CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named applicant that the above-listed document(s) appears to be genuine and to relate to the applicant name, and that to the best of my knowledge, the applicant is eligible to receive housing assistance through the program applied under.		
Signature of City Representative:	Print Name:	Title:
Business or Organization Name: CITY OF PLANO, TEXAS		Date:

Section 3. Verification with Immigration and Naturalization Service. To be completed by City representative or employee.

Date Residency Verified:	Verification Method: <input type="checkbox"/> SAVE <input type="checkbox"/> Other: _____	Verified by: Name: _____ Title: _____
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City of Plano, Texas

Community Services

Residency Verification

INSTRUCTIONS

Section 1 - Applicant. Complete entire section, and attest to citizenship/residency. Provide original documents supporting residency status.

Sections 2 and 3 - City Employee/Representative. Complete Section 2 by examining evidence of identity and completing documentation. Verify residency following the guidelines set out below. City employee/representative must sign and date the certification. Applicants must present original documents.

A. Section 1, Box 1. If **Box 1 of Section 1 is checked** declaring that the individual is a citizen or national of the United States, the City employee/representative may request verification of the declaration by requiring presentation of documentation that is considered appropriate, including a United States passport, resident alien card, alien registration card, social security card, or other documentation.

B. Section 1, Box 2. If **Box 2 of Section 1 is checked** declaring that the individual is not a citizen or national of the United States and the declarant is younger than 62 years of age, the declaration will be verified by the Immigration and Naturalization Service (INS). The declarant must present alien registration documentation or other proof of immigration registration from the INS that contains the individual's alien admission number or alien file number (or numbers if the individual has more than one number), or such other documents as the City employee/representative determines constitutes reasonable evidence indicating a satisfactory immigration status.

C. Section 1, Box 3. If **Box 3 of Section 1 is checked** declaring that the individual is a nonresident or undocumented alien, the applicant is not qualified for Federal housing assistance.

D. Verification: When the required documentation is presented pursuant to paragraph B above, the City employee/representative will utilize the alien admission number to verify with the INS the individual's immigration status through an automated or other system.

E. Delay: If applicant has completed the declaration, but is unable to present the required document(s) under section B above, or if the applicant's documentation cannot be verified by the INS, the applicant will be allowed 30 days to submit the applicable evidence indicating a satisfactory immigration status of to appeal to the INS the verification determination of the INS. An application for assistance may not be denied on the basis of immigration status until the expiration of that 30-day period.

In the event an appeal is made to the INS with respect to the verification determination of the INS, the City employee/representative will transmit to the INS photostatic or other similar copies of such documents or additional information for official verification. Pending such verification or appeal, the City employee/representative may not deny the application for assistance on the basis of immigration status of applicant.

F. Denial: If the City employee/representative determines, after complying with the requirements of paragraphs D and E above, that the individual is not in a satisfactory immigration status, the City employee/representative will:

- 1) Deny the application of that individual for financial assistance or terminate the eligibility of that individual for financial assistance, as applicable;
- 2) Provide that the individual may request a fair hearing during the 30-day period beginning upon receipt of the under subparagraph (3) below; and
- 3) Provide to the individual written notice of the determination under this paragraph, the right to a fair hearing process, and the time limitation for requesting a hearing.

Section 1. Applicant Information and Verification. To be completed and signed by applicant.

Print Name: Last	First	Middle Initial	Maiden Name:
Address: (Street Name and Number)		Apt. #:	Date of Birth: (month/day/year)
City	State	Zip Code	Social Security #:
I attest, under penalty of perjury, that I am (check one of the following):		Regulations governing this program do not allow non-resident or undocumented aliens to receive housing assistance, pursuant to 42 USCA §1436a	
1. <input type="checkbox"/> A citizen or National of the United States		If I have checked the box at the left as a Temporary or Permanent Resident or his/her spouse or child, I attest, under penalty of perjury, that I have abandoned, or am abandoning, my residency in any foreign country, that I do not intend to join my spouse or parent in any foreign country, and that I am not a student.	
2. <input type="checkbox"/> A lawful Temporary or Permanent Resident or his/her spouse or child (Alien or Admission # _____)			
3. <input type="checkbox"/> A nonresident or undocumented alien			
Applicant's Signature:			Date: (month, day, year)

Section 2. Review and Verification. To be completed and signed by City. Complete the following section identifying forms of documentation examined as proof of residency.

<p>1. Citizen of National of the United States:</p> <p><input type="checkbox"/> Social Security Card #: _____</p> <p><input type="checkbox"/> Birth Certificate County: _____ State: _____</p> <p><input type="checkbox"/> U.S. Passport # _____</p> <p><input type="checkbox"/> Certificate of Naturalization #: _____</p> <p><input type="checkbox"/> Other: _____</p>	<p>2. Temporary or Permanent Resident, his/her spouse or child:</p> <p><input type="checkbox"/> Social Security Card #: _____</p> <p><input type="checkbox"/> U.S. Passport #: _____</p> <p><input type="checkbox"/> Resident Alien Card #: _____</p> <p><input type="checkbox"/> Alien Registration Card #: _____</p> <p><input type="checkbox"/> Other: _____</p> <p>Alien File #: _____</p>	
<p>CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named applicant that the above-listed document(s) appears to be genuine and to relate to the applicant name, and that to the best of my knowledge, the applicant is eligible to receive housing assistance through the program applied under.</p>		
Signature of City Representative:	Print Name:	Title:
Business or Organization Name: CITY OF PLANO, TEXAS	Date:	

Section 3. Verification with Immigration and Naturalization Service. To be completed by City representative or employee.

Date Residency Verified:	Verification Method: <input type="checkbox"/> SAVE <input type="checkbox"/> Other: _____	Verified by: Name: _____ Title: _____
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**City of Plano, Texas
Community Services**

Residency Verification

INSTRUCTIONS

Section 1 - Applicant. Complete entire section, and attest to citizenship/residency. Provide original documents supporting residency status.

Sections 2 and 3 - City Employee/Representative. Complete Section 2 by examining evidence of identity and completing documentation. Verify residency following the guidelines set out below. City employee/representative must sign and date the certification. Applicants must present original documents.

A. Section 1, Box 1. If **Box 1 of Section 1 is checked** declaring that the individual is a citizen or national of the United States, the City employee/representative may request verification of the declaration by requiring presentation of documentation that is considered appropriate, including a United States passport, resident alien card, alien registration card, social security card, or other documentation.

City employee/representative will utilize the alien admission number to verify with the INS the individual's immigration status through an automated or other system.

B. Section 1, Box 2. If **Box 2 of Section 1 is checked** declaring that the individual is not a citizen or national of the United States and the declarant is younger than 62 years of age, the declaration will be verified by the Immigration and Naturalization Service (INS). The declarant must present alien registration documentation or other proof of immigration registration from the INS that contains the individual's alien admission number or alien file number (or numbers if the individual has more than one number), or such other documents as the City employee/representative determines constitutes reasonable evidence indicating a satisfactory immigration status.

E. Delay: If applicant has completed the declaration, but is unable to present the required document(s) under section B above, or if the applicant's documentation cannot be verified by the INS, the applicant will be allowed 30 days to submit the applicable evidence indicating a satisfactory immigration status of to appeal to the INS the verification determination of the INS. An application for assistance may not be denied on the basis of immigration status until the expiration of that 30-day period.

C. Section 1, Box 3. If **Box 3 of Section 1 is checked** declaring that the individual is a nonresident or undocumented alien, the applicant is not qualified for Federal housing assistance.

In the event an appeal is made to the INS with respect to the verification determination of the INS, the City employee/representative will transmit to the INS photostatic or other similar copies of such documents or additional information for official verification. Pending such verification or appeal, the City employee/representative may not deny the application for assistance on the basis of immigration status of applicant.

D. Verification: When the required documentation is presented pursuant to paragraph B above, the

F. Denial: If the City employee/representative determines, after complying with the requirements of paragraphs D and E above, that the individual is not in a satisfactory immigration status, the City employee/representative will:

- 1) Deny the application of that individual for financial assistance or terminate the eligibility of that individual for financial assistance, as applicable;
- 2) Provide that the individual may request a fair hearing during the 30-day period beginning upon receipt of the under subparagraph (3) below; and
- 3) Provide to the individual written notice of the determination under this paragraph, the right to a fair hearing process, and the time limitation for requesting a hearing

Authorization to Provide and Release Information

I/We, _____ [applicant's name(s)], am/are applying for the Housing Rehabilitation and/or the First Time Homebuyers Down Payment Assistance program(s) with City of Plano, TX. I/We authorize my employer (s) to release, furnish, provide, exchange and request information related to my employment and income to:

City of Plano First Time Homebuyer Program
Neighborhood Services Division
City of Plano
7501 Independence Parkway, Building A
Plano, TX 750255

Expiration of Authorization: 90 days

I/We understand that I/we may revoke my/our consent to these disclosures by notifying the City of Plano in writing.

Applicant's Signature

Co-Applicant's Signature

Applicant's Name (Print)
XXX-XX-

Co-Applicant's Name (Print)
XXX-XX-

Last 4 digits of SS #
_____/_____/_____

Last 4 digits of SS #
_____/_____/_____

Date

Date

AFFIDAVIT OF NON-INCOME

Complete ONLY for applicant(s) NOT claiming any source of income

Applicant Name: _____

Current Address: _____

Please state how you provide for your basic needs. How do you pay for rent, utilities, food, etc.? If you receive cash, how much do you receive, how often, and from whom?

Is this your usual income? ____ Yes ____ No

If no, what is it usually? Explain: _____

Usual annual income: \$ _____

I have told the truth about all sources of income. To the best of my knowledge, I have not given false information or withheld information. I understand that if I do, I may be prosecuted, deemed ineligible for the program or in violation of program requirements, or be required to pay back the benefits I receive.

Applicant's Signature

Date

STATE OF TEXAS §

COUNTY OF COLLIN § §

SUBSCRIBED AND SWORN before me on the _____ day of _____, 20____, by
_____.

NOTARY PUBLIC in and for the State of Texas