

CITY OF CORPUS CHRISTI

Corpus Christi Business and Job Development Corporation

**Affordable Housing – Existing Housing Inventory Guidelines for the
Program and Criteria for Application**

REVISED 1/15/13

Corpus Christi Business and Job Development Corporation Affordable Housing – Existing Housing Inventory

Guidelines for the Program and Criteria for Application

I. Purpose

The purpose of the program is to expand affordable housing opportunities for low income homebuyers by providing a deferred forgivable loan to be utilized for down payment assistance.

II. General Program Description:

The funding is available to qualified homebuyers for the purpose of providing down payment assistance for the purchase of an affordable home. Affordable housing is any house with a purchase price which does not exceed 95% of the Metropolitan Statistical Area as determined by HUD. Funds may not be used for closing costs.

The intent is to provide general terms/guidelines in order to accomplish the buy down of the purchase price to make the home affordable for households with incomes in the 80% of median income ranges (see Attachment A, 80% of Median Income Chart).

The funding will be in the form of a deferred forgivable loan up to \$20,000.

The term of affordability will be 10 years.

The loan will be amortized over the specified affordability period, commencing on the closure date, and forgiven at a rate of \$2,000 per year for every year the homebuyer lives in the house. Should the homebuyer move out before the affordability period ends then he remaining period will be prorated must be paid back. Recapture provisions require repayment of the total loan amount on a prorated basis. If the buyer sells the property within the affordability period, the balance of the amortized loan shall be due and payable. Any funds repaid by the homebuyer as a result of sale of the property will be used to assist other homebuyers.

The funding will be available on a first come, first serve basis and as funds are available.

Homebuyers can participate in only one of the two Type A Affordable Housing programs or any other Affordable Housing program administered by the City of Corpus Christi per fiscal year.

III. Housing Standards:

Any work that is performed on the home being purchased must be in accordance with the most current applicable City Technical Construction Codes, including the Energy Code.

Any new improvements made to the house being purchased must comply and be approved through the State Board of Insurance Windstorm Codes. A certificate must be provided as evidence of compliance.

The house must meet FHA and VA requirements.

The house can not be located in a 100 year flood plain.

If the house being purchased was built prior to 1978, the seller must provide evidence that the house has been tested and is lead free in accordance with HUD Lead Base Paint Regulations.

IV. Homebuyer Eligibility:

Prospective homebuyers shall meet the gross annual income limits adjusted for family size as determined by HUD's Section 8 Program (see Income Table). The Neighborhood Services Department (NSD) will determine the applicant's anticipated annual gross income. Anticipated annual gross income is an estimation of future income a purchasing household expects to receive based upon their current and future monthly income annualized over a 12 month period. Some examples of future income are bonuses, pay raises, commissions or over time.

Prospective homebuyers shall attend a Homebuyer Education Class.

The purchasing household size will be determined by the Neighborhood Services Department using HUD's definition of purchasing household. Purchasing household includes all persons who will be occupying the units as their permanent residence. A member of a household is considered to a permanent member of the household if they have been living as a member of the household for at least six months or more.

Homebuyer's cash on hand cannot exceed program limits.

Neighborhood Services Department will make a determination of eligibility at the time the mortgage lender submits the required documents listed in section (V. Lender Requirements) below.

The homebuyer will be issued a Commitment Letter after the review of all submitted documents. The Commitment Letter will expire 60 days from the date of issuance. A 30 day extension may be given at the sole discretion of the Neighborhood Services Department.

The homebuyer cannot have ownership in any real estate property or ownership in any house.

V. Lender Requirements:

The Lender will be required to submit the following:

- Copy of escrowed earnest money contract;
- Final certified HUD 1003 application with signatures;
- Six most recent bank statements;
- Lender's employment verification;
- Paycheck stubs for past 6 months;
- Current federal/state issued picture identification for all purchasing members;
- Proof of U.S. citizenship or if a resident alien, must provide both a Social Security card and Green card;
- Social Security cards for all purchasing members;
- Proof of all assets;
- Certified appraisal
- Underwriter's Summary Worksheet; and
- Homebuyer class certificate issued by a HUD approved agency.

VI. Title Company Requirements:

The Title Company will be responsible for ensuring that all documents are complete and correct.

At closing, the Title Company will provide Neighborhood Services Department, the following:

- An itemization of the closing costs (Settlement Statement);
- Deed of Trust and Promissory Note; and
- Warranty Deed.

The Title Company will execute the City of Corpus Christi's Deed of Trust and Promissory Note and forward original's to the City. The Title Company will file one original Deed of Trust and one original Promissory Note with the Nueces County Courthouse file of records.

Neighborhood Services Department will give the Title Company approval for closing and will process check to be issued to the Title Company. The processing of the check takes five working days, from the date and time approval is given to close.

Title Company will ensure there are no existing liens, judgments, etc. against the property being purchased by the homebuyer.

ATTACHMENT A

INCOME LIMITS (80% of MEDIAN INCOME)

Family Size	1	2	3	4	5	6	7	8
Annual Income	29,550	33,750	37,950	42,150	45,550	48,900	52,300	55,650
Estimated Mortgage Loan Range	73,875 88,650	84,375 101,250	94,875 113,850	105,375 126,450	113,875 136,650*	122,250 146,700*	130,750 156,900*	139,125* 166,950*

Revised 01/15/13: Income limits are established by HUD and are subject to change without notice.

***Note: As of January 9, 2012, the MSA median purchase price for Corpus Christi is \$142,000. The cost of the home cannot exceed 95% of the median purchase price. The 95% figure is \$134,900.**

Subject to change without notice.