Helpful Hints for
House Charlotte Approved Lenders

Prior to loan submission, a reservation request is required and the form can be found on the website. Please be sure to complete the form in its entirety and follow the check list of required items to be able to reserve funding for your customer. Reservations are issued on a first come, first served basis. Once you submit a file for processing, please allow ***20 business days*** for processing and funding your House Charlotte file. However, if we receive all necessary documentation, this timeframe can be much shorter. Note, the 20 business days does not start until we have a complete file. Please keep in mind that House Charlotte is a federally funded program. These files will be audited by HUD. Therefore, documentation we request is necessary for program approval.

House Charlotte required documentation for loan approval

Must be a 15-30yr fixed rate loans All documentation must be legible

All pages of the Loan Submission forms must be thoroughly completed and signed where necessary.

*****ALL household members MUST BE accounted for at point of initial file submission*****

Loan Application (1003)

- Borrower(s) signature required. Updated unsigned 1003 can be sent along with signed 1003.
- Loan amount and interest rate on the Loan Estimate Disclosure must match the 1003. Commitment/Pre-approval letter can be a higher amount, but not lower.
- 1003 must list all dependents and their ages.
- Asset section of 1003 must be completed
    - DO NOT include the HouseCharlotte subsidy amount
- If borrower pays childcare, this must be listed on the 1003. This will be used for income eligibility purposes only.
- The House Charlotte down payment assistance loan should not be listed as buyer's assets nor as a "Grant". It should be listed in 4b as Subordinate Lien.
- Borrower(s) needs to verify that the property will be their ***primary residence*** by checking "**Yes**" in section VIII. Declarations.
    - Any corrections to this section must be initialed by the borrower(s)

Evidence that borrower(s) meet income criteria

- All income documentation that the customer is receiving, must be submitted with the file:
    - Most recent **60** day paystub(s) and previous year W-2.
    - If applicable, a written VOE received within the last 30 days may be required.
        - If receiving income from another source, for example, child support, alimony, social security, pension, or other non-wage earner income, submit the awards letter or court order and three (3) months bank or agency statements for proof of income.
        - If self-employed or have commission income submit the most recent two years Federal Tax Returns, including all schedules, and year-to-date P&L.
    - **Income documentation for all household members 18 years of age or older must be included as stated above.**
        - If non-borrowing spouse is unemployed, a statement signed by the spouse and borrower is required; ***stating the unemployment status and whether or not they are receiving any other source of income***. Same for other adult household members.
        - If dependent child 18 years of age or older is a fulltime student, a signed statement is required, along with a copy of the tax forms and proof of fulltime enrollment status. Recent paystubs are also required.

- ***Household Income Eligibility Form*** must be completed for all household members 18 or older**.**

Sales Contract

- Maximum purchase price of **$365,000** for both existing and new construction properties.
- Purchase Price for new construction homes cannot be reduced by paying for the options upfront.
- Include copy of Earnest Money Deposit and Due Diligence Fee.
- Homes built prior to 1978 must include the completed Lead-Base Addendum
- If the property is a Condominium, a Condo Questionnaire completed by the HOA or its Management Company is required.

Appraisal

- Cannot be more than 120 days old.
- Must list the borrower(s) name and the lender's name.
- If not valued "as is" a **Final Appraisal (form 1004D)** is required. (see ***** below)
- Appraised value must not be less than the purchase price. For loan programs that allow the loan amount to be higher than the purchase price, the home must appraise at or above that higher loan amount.

Lender's Commitment Letter

- A pre-approval letter is acceptable. Must be signed and on lender's letterhead.
    - Must also include signed Commitment or Approval letter showing agency/institution name and amount for any other subordinate financing.
- Automated underwriting approval is acceptable.
- Must list loan amount, interest rate, and loan term.
- Rate must be locked prior to House Charlotte loan approval

Loan Estimate Disclosure

- Interest Rate must be locked through closing date.
- All settlement costs must be listed.
- Loan amount, interest rate and term should be the same as listed on 1003 and Commitment or Pre-approval letter.

-Please note; we do not charge a fee for the House Charlotte program, however there are recording fees and a possible attorney fee. We send out our own House Charlotte Loan Estimate directly to the customer therefor you do not have to disclose any additional fees on our behalf.

A visible photocopy of borrower(s) Driver's License or State ID

- A completed Patriot Act form is acceptable.
- If not a US Citizen, Copy Permanent Resident documentation is required.

Copy of recorded Separation Agreement or Divorce Decree (if applicable)

- A **recorded** Free Trader Agreement is also acceptable.

Certificate of Occupancy or Passed Inspection Report** (see ** below)

- For new construction a CO issued within 6 months/180 days of closing date is acceptable.
    - If CO is older than 6 months/180 days, the property is considered "existing".
- Existing property must pass a House Charlotte inspection.
    - **Tenant Occupied homes are *not eligible* for the House Charlotte Program.**
        - **This does not apply to tenants purchasing the property they currently live in.**
    - Inspection must be preformed and received prior to House Charlotte approval.

- Passed inspection is valid for 3 months/90 days. If the Passed Inspection is older than 3 months/90 days the property must be re-inspected.

- Inspection Request Form (see **Inspection Request** link)
  - Customers can choose from Option 1 or Option 2 inspection process. (See Inspection Guidelines)
  - **ALL** blanks must be filled in and questions must be answered
  - Fully executed contract, with all addenda must be submitted with the form.

***Pre-purchase Homebuyer Education & Counseling Certificate** (see * below)

- Virtual/Classroom/face-to-face counseling and education provided by a HUD-approved Counseling Agency.
  - Online Education accepted through ***E-Home or Framework*** ONLY. 1-on-1/Face-to-face Counseling is required.
- Certificate must be dated within 12 months of the closing date.

***Hazard Insurance Binder** (see * below)

- List City of Charlotte as the 2nd Mortgage Loss payee (or 3rd when applicable)**.** A House Charlotte loan number is not required. **Mortgagee Clause:**

  City of Charlotte Finance Department
  600 East 4th Street
  Charlotte, NC 28202

- If property is a Condo or Townhome, a copy of the building coverage is also required.

If property is in a Flood Zone proof of Flood Insurance coverage is required.

*All items with an asterisk means the file can be submitted without this documentation and a House Charlotte conditional approval can be issued; however, funds will not be released until all required documentation is provided. **Note:** If House Charlotte approves a file from one lender and then receives the same borrower file from another lender, the first approval is null and void. New lender must submit a complete funds request package for review and approval.

Please review the ***Guidelines for completing House Charlotte Subsidy Package and the ***Underwriting Criteria*** for details.***