

GUIDELINES FOR COMPLETING HOUSECHARLOTTE SUBSIDY PACKAGE

HouseCharlotte is designed to increase the supply of affordable housing and provide opportunities for homeownership. At the same time, it seeks to strengthen and stabilize neighborhoods within the City of Charlotte.

Using Federal and City funds, the program provides 5, 10, and 15-year, deferred and forgivable loans to qualified Charlotte residents. The program enables buyers to purchase homes by providing down payment assistance, closing costs, and interest rate buy-down assistance to low and moderate-income families.

For property eligibility, refer to the **HouseCharlotte Mapping Application**, on the website www.HouseCharlotteProgram.com. HouseCharlotte Maps are also available to give a general idea of allowable areas.

For general information, program eligibility and forms visit the House Charlotte website at www.HouseCharlotteProgram.com.

Loan Submission Process

HouseCharlotte Loan Submission Packages / Homeowner Assistance Requests should only be completed by HouseCharlotte Approved Lenders. Lender Applications are available on the website. **Once Lender is approved, Loan Officers who intend to use this program must complete training.**

Loan submission package should be submitted through the SharePoint system at <http://HouseCharlotte.dkp.org>. For information on obtaining access contact HouseCharlotte at 704-705-3999.

A complete HouseCharlotte Loan Submission package should include:

- ✓ **Homeowner Assistance Request / Loan Submission (all 7 pages)**
- ✓ **HouseCharlotte Inspection Request or Certificate of Occupancy**
- ✓ **Evidence of borrower(s) meeting income criteria**
- ✓ **Purchase Contract, including all addenda.**
- ✓ **Copy of Earnest Money deposit & Due Diligence fee, if applicable**
- ✓ **Appraisal with clear/legible Photo(s) of Property**
- ✓ **Lender's Commitment Letter**
 - **Commitment letter is also required from the agency/institution of all other subordinate financing included in the transaction.**
- ✓ **Loan Estimate Disclosure (LE)**
- ✓ **Pre-purchase Homebuyer's Education Certificate (before funds can be released)**
- ✓ **1-on-1/Face -to-Face Credit & Budget Counseling Certificate (before funds can be released)**
- ✓ **Evidence of Homeowners Insurance listing City of Charlotte as a subordinate Mortgagee – (before funds can be released)**
- ✓ **Proof of an approved/passed HouseCharlotte Code Inspection or if new construction, a Certificate of Occupancy/CO- (before funds can be released)**
- ✓ **All Closing Disclosures/HUD-1 that are a part of the transaction must be reviewed and approved prior to closing.**

Completing the Homeowner Assistance Request / Loan Submission Package

All blanks must be completed, pages 1-7.

- **Closing Attorney Information page (Item F, page 2)** – Please be sure to use the complete firm name address and zip, as well as the contact person's/paralegal's name and email address.
- **Housing Subsidy Worksheet**

- Cost Section (**Items A-B, page 3**) – Information related to the cost of the first mortgage can be taken from the Loan Estimate Disclosure and transferred to the worksheet under (Items A & B, page 3).
- Financing Section (**Items D-H, page 3**) – Anything that will reduce the amount borrowed. Such as borrower paid fees, seller and/or agent paid fees, and additional loans from other agencies and/or institutions should be listed in this section.
- (**Item I, page 3**) – In order for the buyer(s) to qualify for the full subsidy amount the Gap must be equal to or greater than the maximum allowable program amount. If the Gap is less, then the House Charlotte check will be drawn for the lessor amount.
- **HOME Investment Partnership Funds Written Agreement with Recapture Provisions**
 - All blank spaces should be completed
 - Customer(s) must sign and date last page. Witness section is normally signed by the Loan Officer or Processor. This section cannot be left blank.

House Charlotte Inspection – All HouseCharlotte loan submissions with properties 180 days/ 6 months old or older must have an Inspection completed. There are 2 Options for inspections.

1. A HouseCharlotte City Code inspection at no cost to the buyer(s) can be ordered from HouseCharlotte, or
2. Independent Licensed NC Home Inspector **at the buyer's cost**. Additional documentation is required.

The required document for both inspections can be found on the website. **HouseCharlotte funds cannot be used to purchase tenant occupied properties. If the home is tenant occupied, it's not eligible for HouseCharlotte funds, and an inspection should not be performed. This does not apply if the tenant is trying to purchase the property they currently live in.**

- **Certificate of Occupancy** – Is required for new construction properties. If CO is over 180 days old, a HouseCharlotte Inspection is required. If customer is also receiving NCHFA-CPLP funds HouseCharlotte will allow the CO to be up to 12 months old if property has never been occupied.
- **Median Income Matrix** – Using the Median Income Matrix – Start with the left hand column “% of Income” go down to the **100% row** and follow across the 100% row until you get to the family size of your applicant. The amount under the family size column must be divided by the annual household income. This will give you the “Percent of Median Income” transfer this % to the subsidy worksheet.
- **Loan Processing** – Once the loan has been assigned it will be processed according to closing date. We frequently get several loans with the same closing date. When this happens the loan will be processed **first in, first out**. Once processing begins it takes up to five (5) business days to complete and get approval, provided all documentation needed is submitted with the package. It takes up to five (5) additional business days to get a check from the City's Finance Department.
- **Loan Approval** – A copy of the loan approval and the FHA Mortgagee Letter 2014-08 (if applicable) will be provided to the Lender, Buyer's Agent, and Closing Attorney.
- ✓ **After closing, a copy of the 1st Mortgage and HouseCharlotte Closing Disclosures (CD), as well as other closing documents for submitting to the City for auditing purposes are required.**

Please refer to *Helpful Hints for Lenders* and *Underwriting Criteria* for more guideline details.