



**PURCHASE ASSISTANCE  
FIRST TIME HOMEBUYER PROGRAM**



**“Helping to Unlock the Dream of Home Ownership”**



## Osceola County Housing and Community Services Department Table of Contents

---

Contacts .....	3
Introduction .....	4
Funding .....	4
Discrimination .....	4
Priority of Assistance .....	5
Maximum Assistance .....	5
Applicant Eligibility.....	5
Property Eligibility.....	6
Financing .....	7
Pre-Purchase Counseling .....	8
Term, Recapture and Default.....	8
Document Checklist .....	9
Applicant Intake .....	9
Income Verification and Certification .....	10
Self-Employed Clients .....	11
Annual Income .....	11
Income Inclusions and Exclusions .....	12
Assets .....	13
Processing .....	14
Processing Timeline .....	16
Conflict of Interest Policy .....	16
Payoff of Loan .....	16
Answers to Frequently Asked Questions .....	17-18
Exhibit A- Last updated 4/2022.....	19-20

## Contacts

---

### **Celestia McCloud**

Director, Housing and Community Services

Phone: 407-742-8416

Email: celestia.mccloud@osceola.org

---

### **Danicka Ransom**

Assistant Director, Housing and Community Services

Phone: 407-743-8418

Email: danicka.ransom@osceola.org

---

### **Vanessa Lopez**

Community Grants Program Coordinator

Phone: 407-742-8453

Email: vanessa.lopez@osceola.org

---

### **Arianny Rosso**

Community Grants Program Specialist II

Phone: 407-742-8424

Email: arianny.rosso@osceola.org

---

### **Mireya Vasquez**

Community Grants Program Specialist II

Phone: 407-742-8450

Email: mireya.vasquez@osceola.org

---

# Osceola County Housing and Community Services

## Purchase Assistance Program for First Time Homebuyers

### Introduction

---

The Purchase Assistance Program provides first-time homebuyers that are at or below 120% of the Orlando-Kissimmee Metropolitan Statistical Area (MSA) with an interest-free deferred forgivable loan that may be applied towards down payment, closing costs, and principal reduction for eligible housing. Eligible housing may include new or existing homes. This is a first-time homebuyer strategy, consistent with federal and State housing programs definitions of “first time”. The purpose of this document is to provide the County’s affordable housing partners with a guide to the Purchase Assistance Program.

### Funding

---

The Purchase Assistance Program is primarily funded through the State Housing Initiatives Partnership (SHIP) program through the William E. Sadowski Act. Funding is also provided through the Federal HOME Investment Partnerships (HOME) program and the Community Development Block Grant (CDBG) program.

The following State requirements apply to the use of SHIP funding:

- Sections 420.9071 -420.9079 F.S., Chapter 67-37 F.A.C.

The following Federal requirements apply to the use of HOME funding:

- 24 CFR Part 92

The following Federal requirements apply to the use of CDBG funding:

- 24 CFR Part 570

In addition, the County will comply with all applicable “Other Federal Requirements” to include, but not limited to:

- Fair Housing and Equal Housing
- Equal Opportunity Employment
- Section 3 Economic Opportunity
- Minority/Women Employment
- Conflict of Interest
- Debarred Contractors
- Environmental Review
- Flood Insurance
- Lead-Based Paint
- Relocation

### Discrimination

---

In accordance with the provisions of Section 760.20-760.37, Florida Statutes it is unlawful to discriminate on the basis of race, color, national origin, sex, handicap, familial status, or religion in the award application process.

---

## Priority of Assistance

---

Assistance will be on a first-come, first-qualified, first-served basis while funds are available. The Housing and Community Services Department may give priority to very low and low-income homebuyers and limit the amount of assistance provided to higher income households to meet funding requirements. Should funds not be available or the number of homebuyers exceeds the program's service capacity a waiting list will be established.

---

## Maximum Assistance

---

*Funds are limited and restrictions apply.*

Very low Income	Up to	\$80,000.00
Low Income	Up to	\$60,000.00
Moderate Income	Up to	\$40,000.00

Assistance is provided based on need and will not exceed 50% of the purchase price of the home. The Purchase Assistance will be in second position behind the first mortgage. However, the County encourages applicants to leverage as many sources of funds as available to make home purchases. If the homebuyer is receiving down payment assistance from Florida Housing Finance Corporation (FHFC) or the Orange County Housing Finance Authority (OCHFA), along with Osceola County Purchase Assistance, FHFC, or OCHFA down payment will assume second position and Osceola County will assume third position.

---

## Applicant Eligibility

---

At a minimum, the following requirements must be met for the applicant to be determined eligible:

- Household must meet income eligibility requirements. Please refer to the Income Qualification and Asset Qualification sections for specific guidelines on how to determine income eligibility requirements. Households must be at or below:
  - 120% of the Orlando-Kissimmee Metropolitan Statistical Area (MSA) for SHIP finding; or
  - 80% of the Orlando-Kissimmee Metropolitan Statistical Area (MSA) for HOME or CDBG funding
- First-time home buyer, the definition includes a person or household who has not owned a home or had an interest in a home during the three (3) year period immediately prior to applying for Purchase Assistance. The term first time homebuyer also includes an individual who is a Displaced Homemaker, or single parent.
- Pre-approved for a 1<sup>st</sup> mortgage through an approved Osceola County Lender for a loan that meets program eligibility.
- Completed a HUD-Approved Counseling Agency's 8-hour Homebuyers Education Class within two (2) years prior to applying for assistance. All adult parties on the mortgage need to take the Homebuyer Class.

- Applicant cannot have liquid assets exceeding \$10,000.00, except for amounts invested in financial instruments exclusively designated as a retirement account such as an IRA or 401K. Any liquid asset exceeding \$10,000.00 must be utilized towards the homebuyer's down payment or closing costs.
- Applicant must invest a minimum of one thousand dollars (\$1,000.00) of their own funds into the transaction. In the event that the applicant needs additional funds, and these are given in the form of a gift, these funds must be verified/documentated by a gift letter provided by the first mortgage lender.
- The credit and financial capacity of the applicants will be determined by the approved lenders through credit verifications and the determination of their ability to pay the first mortgage based on their income.
  - If the applicant is married and they are not listed on the first mortgage, the spouse's income will be utilized for purposes of determining Osceola County's assistance. The applicant and their spouse's credit and financial capacity (debts from applicant and spouse are included) will be utilized in determining the ability to pay the mortgages.
- Homebuyers who have filed for bankruptcy two (2) years prior to requesting assistance are not eligible for the assistance. Since filing bankruptcy, buyers must have a clean credit history and no unresolved credit issues.
- Applicant cannot have any outstanding judgments or liens.
- Sufficient income and good credit are essential in order for a homebuyer to qualify for a mortgage loan. A minimum representative credit score of 620 is required. The middle score of the three sets of repository scores reported is the represented credit score. If no score is available, alternative documentation may be used to demonstrate credit worthiness such as twelve (12) months' rent and utility payment. Nontraditional credit reports may not be used to enhance any poor credit history on a traditional credit report. Credit reports will be required for spouses, even if they are not listed on the 1<sup>st</sup> mortgage (the 620 minimum credit score will not be required but all debts will be included in the underwriting ratios).
- Once approved, all homebuyers must attend a meeting with a Osceola County Housing and Community Services staff member. At the session they must read and sign the Osceola County documents including grant agreements.

## **Property Eligibility**

---

- The following types of housing units are eligible:
  - Single-Family Residence
  - Condominium Units
  - Townhouses
  - Villas and Zero-Lot Line
- Modular and Manufactures homes, if the lot is included in the purchase, and if it meets the standards established by the Florida Department of Economic Opportunity (DEO). Please refer to the Local Housing Assistance Plan LHAP) for more detailed information.

- Maximum Purchase price must be below HUD Section 221 (d)(3) limits established for Osceola County or may not exceed 90% of the median area purchase price established by the U.S. Treasury Department, whichever is lower for Purchase Assistance
- The housing unit must be located within Osceola County.
  - If Purchase Assistance is being funded with CD BG fund, the housing unit may not be located within the City Limits of Kissimmee.
- All property to be purchased by potential homebuyers must meet the property standards for Osceola County. All Property Standards inspections will be completed by Osceola County or a designated inspector at no charge to the homebuyer. This inspection is solely for Osceola County to meet the program requirements and is not an inspection for the buyer or lender. Homebuyers, at their own expense and in conjunction with the lender, are required to attain a Home Inspection.
- All property to be purchased by potential homebuyers must have an Environmental Review by Osceola County, when determined applicable by Osceola County. This will be completed by Osceola County or a designated company at no charge to the homebuyer. Properties located in a designated flood zone must obtain and maintain a flood insurance policy for the term of the loan.
- Property that is being acquired can be either owner-occupied, or vacant. Homebuyers applying for assistance are not eligible to receive assistance if the property is occupied by tenants other than the applicant at the time the contracts is signed. Osceola County will not pay for relocation expenses.
- The property value, as dictated by the appraisal, must be equal to or higher than the selling price.
- Osceola County will inspect for lead-based paint on existing homes, built prior to 1978. Abatement may be required at the seller's expense.
- Any real estate contracts entered into should be "contingent upon obtaining Osceola County Purchase Assistance funds." This will protect the homebuyer in the event that they are not approved for assistance or if the County funds are not available.
- New Construction:
  - Must have received a Certificate of Occupancy (CO) before the County can provide assistance.

---

## Financing

---

- Homebuyers must secure a first mortgage loan commitment at a competitive fixed rate (15-30 Year for a Federal Housing Administration (FHA), Veterans Administration (VA) or Conventional Loan only) through an approved lender for Osceola County.
- The housing front end ratio must not exceed 30% under special consideration the Osceola County Manager or their designee may be able to approve applicants who meet certain requirements and may be approved for a front-end ration of up to 35%. Exceptions will be based on compensating factors.
- If the household has a housing ratio of less than 30%, that household will only receive assistance to pay for the down payment costs (if Purchase Assistance), the closing costs, and the pre-pays and reserves. However, if the housing ratio is between 30% and 35%, the household will receive moneys to pay for principal reduction.

- The debt back-end ratio may not exceed 45%. Deferred loans (including student loans) are to be considered when calculating the debt ratio.
- Ratios are calculated based on the entire household’s annual projected gross income. In addition, all debts for the applicant(s) and their spouses will be utilized in determining eligibility for Osceola County’s assistance.
- Osceola County will monitor closely the terms of the first mortgage loans (interest rate, loan originations fees, discount points, etc.) for reasonableness on a case-by-case basis.
- All Mortgage Financing must be arms-length transactions.
- Properties financed by construction permanent loans, adjustable-rate loans, or seller financing are not eligible. Stated income loans are not allowed.

## **Pre-Purchase Counseling**

---

The Purchase Assistance Program requires that potential homebuyers complete an approved 8-hour pre-purchase education program prior to application submittal to the lender. The pre-purchase education program certificate must be provided by an approved HUD-Counseling Agency. The certificate must be dated no more than one (1) year prior to application submission. After completed the aforementioned education requirements, applicants must be also complete a required Osceola County Pre-Purchase Assistance session prior to receiving assistance, but after pre-approval.

## **Term, Recapture and Default**

---

**Purchase Assistance Terms, Recapture and Default:** Osceola County will provide an interest free forgivable loan for up to 15 years. Currently the affordability period is at 10 years.

<b>Total Amount of Assistance</b>	<b>Affordability Period</b>
Up to \$80,000.00	10 Years

Six (6) years from the date of execution of the 2<sup>nd</sup> mortgage lien, the original principal amount shall be forgiven by 20% and the principal amount shall continue to decrease by 20% every year thereafter until fully satisfied.

**Purchase Assistance:** During the term of the loan, full repayment of the remaining obligation will be due upon the occurrence of one or more of the following events:

- If the mortgage no longer resides in the home as a permanent residence, or homestead exemption is lost; or
- If any part of the property or any interest in it is sold or refinanced (procurement of new, additional financing), transferred, gifted or possession is otherwise conveyed to another person, without prior County approval and consistent with County policies, whether by voluntary act, involuntarily, by operation of law or otherwise. (A subordination of mortgage for the purpose of refinancing is subject to current subordination policies); or
- If the mortgagor is divested of title by judicial sale, levy, or other proceedings; or
- If foreclosure is instituted against the property; or

- If the property is leased, subleased, or rented.

In the event of the death of the homeowner prior to the forgiveness date or final payment due date, the unforgiven portion of the mortgage shall be repaid to Osceola County unless the property is assumed by a surviving household member, heir, or beneficiary, and one of whom must meet the income qualifications applicable to the program and who also maintain the home as his-her-their primary residence and homestead. Any such assumption is subject to approval by the County.

In the case of foreclosure, or other involuntary loss of title or possession of the home by homeowner, repayment will be required, subject to the amount available from net proceeds or any judicial sale or other forced liquidation or refinancing.

As an enhancement of its recapture strategies, in the event of a first mortgage foreclosure, the County may enter into a negotiated settlement with the first mortgagee for the sale or assignment of County's interest at an amount less than the outstanding principal balance of the second mortgage. Alternatively, and with the objective of retaining the home as part of the local affordable housing stock, the County may negotiate the acquisition of the first mortgage at a discounted amount in connection with dismissal of the first mortgage foreclosure suit. Subject to Board approval, program funds may be used for the purchase of previously County funded homes at foreclosure sale with the objective of preserving the available affordable housing stock and protection the County's investment.

Assistance is intended to assist income eligible households to obtain homeownership. It is understood that recipients may need to sell their homes for a variety of reasons including job transfers, marriage, and other occurrences that are a normal part of family life. For this reason, repayments of the County loan are considered an approved part of this strategy and are not considered to be a "default". "Default" would be a foreclosure, or any action that would otherwise void the agreement.

## Document Checklist

---

*The Osceola County, Housing and Community Services department receives funds from the Florida Housing through the State Housing Initiatives Partnership program (SHIP) to create and preserve affordable homeownership through activities such as the Purchase Assistance Program. Per s. 420.907-9079, F.S., and Rule 67-37, F.A.C., the Local Housing Assistance Plan governing the agency must specify the income verification method to determine eligibility. The program is designed to serve very low-, low- and moderate-income households. To determine eligibility, all household members must provide third-party income and assets verifications. Failure to comply and/or disclose information requested by the agency will result in the denial of the assistance.*

(See exhibit A)

## Applicant Intake

---

Osceola County will work closely with the mortgage lender/broker to obtain the property documentation to determine income and property eligibility under the program guidelines.

Potential homebuyers must be approved for a primary mortgage before participating in the program. Osceola County required mortgage lenders/brokers to be “approved” in order to submit files for the Program. The approval process consists in attending a workshop conducted by Housing and Community Services Department staff. The workshop provides information about the guidelines of the Purchase Assistance Program. Individual lender approval are valid for two years. Lenders will be able to access program updates from the Osceola County website and via mailings.

Approved mortgage lenders/brokers are responsible for;

- Being the point of contact with Osceola County Housing and Community Services Department.
- Determining the applicant’s eligibility to the Program (including income and household composition);
- Submitting the necessary information and forms to the Osceola County Housing and Community Services Department;
- Coordinate the closing with title companies, etc.;
- Assisting Osceola County in maintaining the integrity of the program and services. Any party providing false information (i.e., employment status, income, household composition, assets, etc.) will be suspended from accessing program funds.

## **Income Verification and Certification**

---

Assistance is based on the homebuyer’s total household income, adjusted for family size. The income limits are provided by the Department of Housing and urban Development (HUD) and by the Florida housing Finance Corporation (FHFC) For information on the latest income limits, please refer to the Osceola County Housing and Community Services Department’s website.

When applying for assistance, the homebuyer is required to submit employer contact information for all household members who are working now to the certified mortgage lender/broker. If an adult household member is not working and receives no income from any source, please have the household member provide a notarized statement indicating that he or she receives no income and relies upon the support of the income-earner in the family. All income will be verified with the employer by the certified mortgage lender/broker and Osceola County.

In addition, applicants will be required to submit asset/financial account information for all adult household members. If an adult household member does not have an asset/financial account, that household member must provide a notarized statement indicating that he or she does not have any assets/financial accounts. All assets will be verified with the financial institution by the approved mortgage lender/broker.

After receiving the application package from the approved mortgage lender/broker, the Project Coordinator will complete the Income Certification form and have the head of household and co-applicant sign the form upon verifying the households’ annual income as a final step in the

verification process. A signed certification form must be obtained from the homebuyer in order to complete the eligibility process.

## Self-Employed Clients

---

In cases where an applicant is self-employed; the following must be verified and provided in the application package to Osceola County:

- Signed copies of the last two years of federal tax returns (including Schedule C)
- A copy of the last three months income and expense reports, profit and loss statement or quarterly report.
- A completed “Verification of Income from Business Form; see “Verification of Income from business Form” sample.

Upon receipt of documents, the certified mortgage lender/broker and Osceola County will calculate annual income.

## Annual Income

---

Upon receipt of the application package from the approved mortgage lender/broker, Osceola County will complete a quick calculation of the applicant’s total annual income and compare to the applicable income limits for jurisdiction and household size. If the applicant’s total annual income is above the income limits, the verification process may be unnecessary. At that time, the applicant will be informed that it appears the household is ineligible for assistance.

- Annual income includes income received by members currently intending to reside in the household. Income is calculated by projecting the household’s income twelve (12) months forward from the date of application.

To **annualize full-time employment**, multiply the type of the wages/bonuses/tips by the following periodic amounts:

- Hourly wages by 2,080 hours;
- Weekly wages by 52;
- Biweekly (every two weeks) amounts by 26;
- Semi-monthly (every half month) amounts by 24; or
- Monthly amounts by 12

To annualize income from anything **other than full-time employment**, multiply;

- Hourly wages times the number of hours that household expects to work annually; or
- Average weekly wages times the number of weeks the household expects to work; or
- Other periodic amounts (monthly, biweekly, etc.) by the number of periods a household member expects to work.

Annual wages should always reflect the entire 12-month period regardless of the pay schedule. For example: A teacher is paid \$25,000.00 per year. Use the \$25,000.00 figure whether the payment is made in 12 monthly installments, 9 installments, or some other payment schedule. Always use current circumstances to project income.

A determination of verified annual income must include all income (see table on following pages) by all adult members of the household. If the applicant's income has increased or decreased, program eligibility may change. The applicant may advise you of a change in annual income; if the applicant does, Osceola County must be notified and Osceola County must recertify his/her eligibility.

## Income Inclusions and Exclusions

---

### Income Inclusions

- The gross amount (before any payroll deductions) of wages, salaries, overtime pay, commissions, fees, tips and bonuses, and any other compensation for personal services received by all eligible household members;
- The net income from the operation of a business or profession;
- Interest, dividends and other net income from Whole Life Insurance Policies and any income from real or personal property;
- The full amount of periodic amounts received from Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability or death benefits;
- Payment in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- Welfare or other need-based payments to families or individuals that are made under programs funded separately, or jointly by federal, state or local governments;
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- All regular pay, special pay and allowances of a member of the Armed Forces
- Reimbursement for the cost of medical expenses for any family members.

### Income Exclusions

- The full amount of student financial assistance paid directly to the student or to the educational institutions;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Income from HUD training programs;
- Temporary nonrecurring or sporadic income (including gifts);
- Reparation payments paid by a foreign government to persons who were persecuted during the Nazi era;
- Income from earnings in excess of \$480.00 for each full-time student 18 years or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of \$480.00 per adopted child;
- Deferred payments received in a lump sum from SS or SSI;
- Refunds or rebates for property taxes paid on the dwelling unit; or
- Services/equipment needed to keep a developmentally disabled family member at home. Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children or adults;
- Lump sum additions to family assets, like inheritances or insurance payments
- Income of a live-in aide

## Assets

---

Assets are items of value, other than necessary personal items, and are considered along with verified income in determining the eligibility of a household. Total household assets and asset income are considered, including those of minors. When computing the value of assets, use the cash value of assets, which is the amount of applicant(s) would receive if the assets were converted to cash. In determining asset income, the following applies: If the asset value is less than \$5,000.00, add the amount of the actual income derived to the total verified income. When assets are \$5,000.00 or more, add the greater of 1) the actual annual income to be derived from these assets, or 2) the imputed income using 0.06% interest rate (specified by HUD) to the total verified income. The combined total income cannot exceed the current eligibility guidelines according to household size.

There is a limit of \$10,000.00 of liquid assets for participation in the Purchase Assistance Program. The potential annual income that can be earned from assets is taken into consideration when calculating annual income. Asset income is also annualized based on what is anticipated to be received during the 12 months following eligibility or re-certification.

Income from assets is recognized as part of annual income. In general terms, an asset is a cash or non-cash item that can be converted to cash. It is the income earned – e.g., interest on a savings account – not the asset value, that is counted in annual income and is counted even if the household elects not to receive it; for example, reinvested interest or dividends from an asset.

Assets to include:

1. Cash held in savings and checking accounts: current monthly statement, safety deposit boxes, homes, etc., Recurrent cash deposits into the savings/checking accounts will be counted as income and must be verified.
2. Stocks, Bonds, Treasury Bills, Certificates of Deposit, Money Market Funds and other investment accounts.
3. Equity in real property or other capital investments. Include current market value less any unpaid balance on any loans secured by the property and any reasonable costs that would be incurred in selling the asset, such as prepayment penalties or broker fees.
4. The value of land.
5. Cash value of trusts that are available to the household; cash value of Whole Life Insurance Policies.
6. Individual Retirement Accounts (IRAs) and Keogh Accounts.
7. Retirement and Pension Funds.
8. Lump sum receipts should include inheritances, capital gains, one-time lottery winnings, settlements on insurance, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections antique cards, paintings, etc.
10. Assets owned by more than one person should be prorated according to the percentage of ownership.

Assets not to include:

1. Necessary personal property (e.g., clothing, furniture, automobiles, etc.)
2. Vehicles specially equipped for the handicapped.
3. Interest in Indian Trust Land.

## **Processing**

---

The Osceola County Housing and Community Services Department has the final responsibility for determining eligibility of an applicant in accordance with program guidelines. All applications must be original and complete, signed by the applicant. Only complete original applications will be accepted by Osceola County.

All documents must have two witness signatures by each required signature per Florida Statute 689.01.

1. The Osceola County Housing and Community Services Department Director will:
  - Review the application package submitted by the approved mortgage lender/broker;
  - Request the completion of an environmental review on the property. This review is performed in-house. The environmental effects of housing assisted by the Purchase Assistance Program must be assessed in accordance to provisions of the National Environmental Policy Act of 1969 (NEPA) and HUD's implementing regulations at 24 CFR parts 50 and 58;
  - Coordinate the property standards inspection for existing units. This inspection does not substitute the home inspection recommended as part of a home acquisition. Osceola County will assume the cost of the initial inspection, and if necessary a second re-inspection. However, if a third or subsequent inspections are needed, there will be a cost of \$50.00 per inspection;
  - Underwrite the loan by ensuring that all of the provisions of the loan meet the approval of Osceola County (i.e., interest rates, origination points, ratios, fees, type of loan, etc.). Properties financed by construction permanent loans are not eligible to participate in the Program. All mortgage financing must be arms length transactions. Osceola County will closely monitor the terms of the first mortgage loans (interest rate, loan origination fees, discount points, "junk fees", etc.) for reasonableness on a case-by-case basis. The County's funds will not substitute any costs to be paid by the seller as per the contract for sale and purchase. In

addition, sellers will pay at a minimum the Owners Title Insurance Policy, the Documentary (DOC) Stamps on the Deed, and the Builders Warranty (if applicable);

- Complete the Income Certification form and have the head of household and all adult household members sign the form upon verifying the household's annual income as a final step in the verification process. A signed certification form must be obtained from the applicant in order to complete the eligibility process;
- Provide the Commitment Letter/Agreement to lender after approval by the County. The Commitment Letter/Purchase Assistance Agreement specifies the amount of assistance. Fax/Email closing instructions to the Title/Closing Agent;
- Receive preliminary closing documents and review the following: final Home Inspection (if repairs are needed), Termite Report (WDO), first Note Mortgage, Preliminary Closing Disclosure (CD) and Title Commitment;
- Request disbursement check from finance department;
- Request Note/Mortgage and/or Restricted Use Covenant if necessary from County Attorney's Office;
- Review and approve the final closing package from title agency/closing agent. (final CD, final 1<sup>st</sup> mortgage and note, bond mortgage and note if applicable);
- Issue closing package to the closing agent; or attend closing with package.

2. The Approved Lender will:

- Determine the applicant's eligibility to the Program (including income and household composition);
- Submit the necessary information and forms to Osceola County;
- Coordinate the closing with the Title/Closing Agent.

3. The Title Company will:

- Compile all closing documents. When notified of final approval of documents, the closing agent will be notified to pick up the closing package from Osceola County (via their courier or the certified lender who will provide a copy of his/her value Florida Driver's License); unless County Staff attends closing;
- Close Loan;
- Record all pages of the Note and Mortgage Deed, and Restrictive Use Covenant (if applicable) after closing. All documentary stamps and recording fee calculations are the responsibility of the Title/Closing Agent. Recording fees and Documentary Stamps apply however, SHIP is exempt from intangible tax;
- Fax all pages of the signed original Note & Mortgage Deed, and signed final CD within 24 hours of closing to Osceola County;

- Forward the original recorded Note & Mortgage Deed, after closing to Osceola County within 30 days of closing.

---

## **Processing Timeline**

---

There is fair amount of coordination of activities while the eligibility process is underway. Please allow 21 working days for check release after receiving an approval from Osceola County.

Failure to submit a complete package or changes in the application package will result in delay of processing and postponing of closing.

---

## **Conflict of Interest Policy**

---

No public official, agent, employee or consultant of Osceola County may obtain a financial interest or benefit from an activity funded through Housing and Community Services, to include SHIP, HOME, CDBG, and ESG assisted activities; or have an interest in any contract, subcontract or agreement involving a Federal- and/or State-funded activity, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

When the potential Conflict of Interest involves Federal funds, a request for exception may be submitted in writing to the appropriate HUD Official. When the potential Conflict of Interest involves SHIP funds, a request for exception may be granted by the Department Director in conjunction with the County Attorney's Office, on a case-by-case basis.

An application package involving a potential Conflict of Interest will not be reviewed until an approval or denial of the exception has been granted.

---

## **Payoff of Loan**

---

The homeowner must sign a release of information waiver to allow Osceola County to give the payoff information to the mortgage/title company who is paying off the loan. The mortgage/title company will also provide a legible copy of the County recorded note and mortgage along with the request and necessary Release of Information to the Osceola County Housing and Community Services Department when requesting a payoff of loan. Housing and Community Services staff will provide in writing to the requesting mortgage/title company the payoff amount. The payoff will state the number of days it is good for and where to send the check. The mortgage company/title company who is requesting a payoff will send a copy of the payoff fax and the payoff check in the correct amount made payable Osceola County board of County Commissioners. The Housing and Community Services staff will receive the check at the intake counter for processing. The County will provide and record a satisfaction of mortgage and mail the same to the former homeowner.

## Answers to Frequently Asked Questions

---

- ✓ The Award Letter will state the subsidy that the homebuyer is conditionally approved for. This amount is determined on a per customer basis. The award letter will also state the maximum sales price. The total amount of assistance/subsidy is based upon the total household income. (Affordable mortgages/house payments are those in which the payments, including taxes and insurance, do not exceed 30% of the household's annual income.)
- ✓ Do not use white-out on any portion of the application. Original application must be submitted. NO FAXED COPIES ACCEPTED.
- ✓ Income – The Osceola County Purchase Assistance Program projects the household's income twelve (12) months forward from the date of application.
- ✓ Overtime – if overtime is received on a regular basis, that amount is to be included in the income calculation.
- ✓ Child Support must be reported for all children who are not living with both of their natural parents. Applicant must provide a copy of Court ordered child support or direct payment agreement from the natural parent not residing in the household. If the applicant does not have a court order, and/or is not receiving child, please provide a notarized statement indicating non-receipt or Florida Housing Finance Corporation Child Support Affidavit.
- ✓ Divorced applicants must provide documentation of their divorce, for example a copy of their divorce decree. In rare cases when all options to attain documentation have been exhausted the Program Manager may authorize a notarize statement to be utilized.
- ✓ Separated applicants must realize that Florida law does not legally recognize separation. Unless legally divorced, Florida's joint property laws will likely entitle the estranged spouse to legal claim of ownership of any house the applicant purchases. Osceola County Housing and Community Services will recognize separation if it is clear that the applicant has no plan to reunite with the estranged spouse by providing a minimum of three (3) years tax returns indicating separate and proof of separate residences.
- ✓ Applicant must secure a first mortgage loan commitment at a competitive fixed rate which is contingent upon receiving Osceola County Assistance.
- ✓ Allowable Mortgage Type: Fixed Rate Only (no more than 2 percentage points above rate listed on [www.floridahousing.org](http://www.floridahousing.org) for First Time Home Buyers, Florida First Program Loan Rate) – No adjustable-rate mortgage or balloon mortgages are allowed in the program. All mortgage offered must a fixed rate and may not have terms exceeding thirty (30) years. <http://www.floridahousing.org/home/>
- ✓ No pre-payment penalty.
- ✓ ESCROW – Taxes and insurance shall be included in an escrow account established and administered by the first mortgage holder or it's Agent.

- ✓ Processing, Underwriting, Document Prep, and Administration Fees cannot be included as closing costs, for the borrower, on the CD statement; however, the options for payment of these fees inside include the following: 1) these fees can be charged to the seller or 2) these fees can be paid outside of closing “POC” by the borrower. In the instance of “POC” (indicated on HUD), the Lender/Closing Agent normally requires back-up documentation indicating “paid”.
- ✓ Loan origination fees may not exceed 1%. Broker fees may not exceed 1%.
- ✓ Any filed bankruptcy must be discharged for at least two years from the date of application.
- ✓ Osceola County has a NO “cash-back” policy – the homebuyer may not receive cash back from a down payment loan – the HUD-1 must show no cash back to applicant.
- ✓ Funds cannot pay for debts incurred by borrower (i.e., credit cards). Final Settlement Statement (HUD) must not show any debts for the borrower or borrowers.
- ✓ If the terms and/or conditions of the first mortgage change any time prior to the actual closing, the Osceola County Housing and Community Services Department is to be notified immediately for their approval of the change(s).
- ✓ If married, both husband and wife will appear on the Osceola County Mortgage and Note and at a minimum must appear on the 1<sup>st</sup> Mortgage, Deed, and Closing (HUD) statements. Both names are not required to appear on the note or the 1<sup>st</sup> Mortgage Company Approval Letter.
- ✓ A home inspection report and W.D.O. (wood destroying organism report, termite) is REQUIRED on every home purchased, including new construction and property listed “as is”. All noted repairs must be completed, signed off by and accepted by inspector and buyer prior to file being submitted. Final inspection indicating repairs have been completed must be submitted with file.
- ✓ Any homebuyer who wants to purchase an existing home must be told that legitimate tenants cannot be evicted without the owner providing relocation costs and any damages incurred by the tenant. This rule was put in place by HUD. All of our housing programs are tied to HUD rules and regulations. Osceola County will not approve any deals that involve evicting tenants without their permission and compensation. There are specific rules that have to be followed before a tenant can be removed from his/her domicile. Check with us before starting an eviction.

**Osceola County**  
**Housing and Community Services Department**  
**Purchase Assistance Program (SHIP) – Document Checklist**

<b>Household Income Documents</b>	
<b>Income Type:</b>	<b>Corresponding Documentation:</b>
<b>Employment/Earned Wages</b>	(6) Most Recent and Consecutive Paystubs; or employment Verification on a Company Letterhead with amount and frequency of pay
<b>Unemployment Income</b>	Letter from DEO with amount, frequency and current status
<b>Child Support Income/Alimony</b>	Most Recent Court Order; or child support payment printout
<b>Social Security or SSI Income</b>	Most recent benefit award letter showing gross amount
<b>Pension/Retirement</b>	Most recent benefit award letter showing gross amount
<b>Business Income</b>	Schedule C and/or Profit & Loss Statement
<b>Military/VA Pension</b>	Most recent benefit award letter showing gross amount
<b>Public Assistance (TANF)</b>	Most recent benefit award letter showing gross amount, frequency, and benefit status
<b>Benefactor Contributions</b>	Verifications showing regular contributions; including amount and frequency
<b>Household Assets and Additional Documents</b>	
<b>Asset Type:</b>	<b>Corresponding Documentation:</b>
<b>Checking Account</b>	(6) months of the most recent and consecutive bank statements showing all transactions
<b>Savings Account</b>	(6) months of the most recent and consecutive bank statements showing all transactions
<b>Stocks or Bonds</b>	Current verification showing the type/cash value/market value/amount
<b>Life Insurance</b>	Current verification showing the type/cash value/market value/amount
<b>Real Estate Dividends</b>	Current verification showing the type/cash value/market value/amount
<b>Crypto Currency</b>	Current verification showing the type/cash value/market value/amount
<b>Go Fund Me Accounts</b>	Current verification showing the type/cash value/market value/amount
<b>1040 Tax Returns &amp; W2's</b>	2019, 2020 and 2021 full tax transcript
<b>Forms of Identification</b>	
<b>Government Issued ID</b>	Copies from all household members 18+
<b>Copy of Social Security Card</b>	Copies from all household members 18+
<b>Copy of Birth Certificate</b>	Copies from all household members

<b>Additional Business Documents (if applicable)</b>	
<b>Profit and Loss Statements</b>	Statements from 2019, 2020, and 2021
<b>Cash Flow Statements</b>	Quarterly cash flow statements from 2019, 2020, and 2021
<b>Payroll Registry</b>	Payroll statements from 2019, 2020, and 2021
<b>Business Tax Returns</b>	Tax Transcripts from 2019, 2020, and 2021
<b>Business Bank Statements</b>	6 months of bank statements from all active accounts
<b>Business Identification</b>	SAM.Gov, business license, etc.

<b>Internal Forms</b>	
<b>Full Application</b>	Signed by all adults in the household
<b>Release of Information Form</b>	Signed by all adults in the household
<b>Asset Addendum</b>	Signed by all adults in the household
<b>Notice of Collecting Social Security</b>	Signed by all adults in the household
<b>Criminal Background Consent Form</b>	Signed by all adults in the household
<b>SHIP DPA Acknowledgement of Services</b>	Signed by all adults in the household
<b>Zero Income Affidavit</b>	Signed by all unemployed household members