

Elizabeth Heights Home Buying Process

Elizabeth Heights represents a great opportunity for homeownership. Due to its extraordinary value and various funding sources, the end user (homebuyer) must meet federal income and occupancy guidelines. Our funding sources require buyers be at or below 80% median income guidelines as published by HUD. This process is for income determination and does not guarantee loan approval. Once buyers are determined income eligible, buyers must be mortgage qualified by a preferred lender. The information below outlines the Income Determination and Mortgage Qualifying process.

INCOME DETERMINATION PROCESS: 1st Step

This information is reviewed by Donnetta Collier 704.409.5913 or donnetta@self-help.org or another Self-Help staff person.

- Government issued ID and social security card for all adult household members
- 30 days most recent paystubs for all household members
- Current year award letter for other income received (if applicable)
- Evidence that all other income will be received three years after closing
- Satisfactory Rental History
- A check or money order for \$25 to pull a tri-merge credit report
Satisfactory credit which include open trade lines
A 640 middle credit score is needed to qualify for the NC Home Advantage Loan
- Income and debt ratios will be reviewed and should not exceed 41% of gross monthly income.
- Proof of buyer investment (\$1,000 minimum) documented via bank statement. Some reserves are required
- Head of household member will be asked to sign a HUD Income Worksheet. Household members without an income are required to sign a Zero Income Affidavit.

Buyers meeting income determination requirements will be recommended to a preferred lender for mortgage pre-approval. Offer to Purchase contracts will be accepted from qualified pre-approved buyers with satisfactorily criminal background checks. Every household member over 16 must agree to a national criminal background check. The cost is \$45.

MORTGAGE QUALIFICATION PROCESS

Homebuyers who have **NOT** been approved for a NC Home Advantage Loan and want to use the Community Partnership Loan (2nd mortgage- up to \$18,000 in down payment assistance) may contact Donnetta Collier 704.409.5913 or donnetta@self-help.org or another SH staff. Homebuyers are not required to use the 2nd mortgage but are encouraged to do so to decrease their housing payment substantially. Buyers are also encouraged to use the House Charlotte down payment assistance. House Charlotte will take a 3rd mortgage position and is forgiven 20% each year after year 5 until completely

forgiven in year 10. The layered financing maximizes affordability. (see affordability spreadsheet. Buyer's income, employment history, rental and credit history and savings history will be reviewed.

INCOME

Total household income and benefits must be at or below 80% AMI: Borrowers' income will be reviewed and calculated to determine mortgage eligibility. Thirty (30) days most recent YTD paystubs, current year benefit award letters, tax returns and W2 forms will be requested to ensure buyers are income qualified to purchase.

CREDIT

Satisfactory credit which include open trade lines. A 640 middle credit score is needed to qualify for the NC Home Advantage Loan

HOMEBUYER EDUCATION CERTIFICATE

Every adult household member must attend 8 hours of homebuyer education by a HUD Certified Counselors. Self-Help recommends the Homeownership Center at the Charlotte Mecklenburg Housing Partnership. Other HUD certified counseling include: Alliance Credit Counseling and the Community Link all of Charlotte, NC

BUYERS LOAN DOCUMENTS

Buyers of Elizabeth Heights' homes are required to use North Carolinas Housing Finance Agency's NC Home Advantage Loan product in order to take advantage of the second mortgage Community Partnership Loan Pool Homebuyers using this mortgage product may qualify for up to \$18,000 zero interest zero monthly payment 2nd mortgage the Community Partnership Loan Pool.

Homebuyer will need to submit a copy of the Lender's Good Faith Estimate (lender must have agreed to comply with statement on subprime mortgage lending at: www.fdic.gov/regulation/laws/rules/5000-5160.html)

At closing buyer must agree to submit an executed Uniform Residential Loan Application (1003) or lease and, a certified true copy of the HUD1 Settlement Statement, and recorded Deed and Deed restrictions.