

**ANNISTON/CALHOUN COUNTY HOME CONSORTIUM
AFFORDABLE HOME PROGRAM
PROGRAM POLICIES**

The Affordable Home Program for first time homebuyers is provided through the **HOME (HUD)** Program and is designed to increase the supply of affordable housing for low-income families. The ACCHC believes that this homeownership assistance program will be a valuable component in efforts to stabilize neighborhoods, assist low income families to build financial equity while fostering economic growth through new home construction. **This assistance is available only to individuals and households whose income is 80% or less of the current median family income for ANNISTON/CALHOUN COUNTY HOME CONSORTIUM and who intend to purchase a single family dwelling .**

Potential homebuyers must attend Homebuyer Training classes to participate in the ACCHC's Home Buyer program. Consumer Credit Counseling Services of will provide homebuyer training classes. These classes will provide the tools and information necessary for potential homebuyers to determine if it is in their best interest to proceed with the process. The Homebuyer Training providers will issue a certificate of completion to each individual who completes the training program.

Potential homebuyers must be prepared to provide a minimum of **\$500.00 DOWNPAYMENT**. This amount is non-refundable.

Application fee will be \$15.00 for the processing of a credit report.

The maximum liquid assets at the time of application cannot exceed \$10,000.

The ACCHC will assist the potential homebuyer in completing the Application for the Affordable Home Program at the same time as they collect the necessary information to apply for a home mortgage.

Eligibility Requirements to Participate in this Program

Persons, (individuals and households) who are interested in participation in the Affordable Homes Program must meet the following eligibility criteria:

- 1. Residency requirements:** Participants must be citizens of the United States

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2. **Property Type** A single family dwelling designated by the ANNISTON/CALHOUN COUNTY HOME CONSORTIUM Home program. The house must be located within the ACCHC geographic area and be the principal residence of the homebuyer.

Manufactured homes, condominiums, town houses, duplex, or multi-plex units are not eligible types of residential dwelling units for participation in this program.

Property to be purchased in a 100 year flood plain will require the buyers to obtain appropriate flood insurance.

3. **Property Use:** The purchasing household must occupy the property as principal residence during the period of Affordability to avoid repaying the financial assistance provided under the Affordable Homes Program. The ACCHC will confirm occupancy annually during the period of affordability. Failure to cooperate with the ACCHC's annual request for information to confirm occupancy of the purchased property could result in a claim for recapture of funds against the property.
4. **Income Eligibility:** To be eligible to participate in the Home Buyer Program, participating households must have an anticipated annual (gross) income, (for the next 12 months) that does not exceed 80% of the current median family income, (based on household size) for ANNISTON/CALHOUN COUNTY HOME CONSORTIUM. For the year 2011 80% of the HUD Adjusted Median Family Income, (HAMFI) for a family of four is \$40700 (HUD publishes the annual median family income information in February of each year. When published, this new data will supercede the existing data.) The purchasing household must meet these income requirements at the time the household makes application, specifically the time period when the household executes the purchase agreement for the property that will become their home. The ACCHC Home Buyer Program will use the Part 5, Section 8 Program definition for determining household income. The Section 8 definition of gross income, (projected for the next 12 months) includes the combined household income of all persons 18 years or older which includes, but is not limited to, job earnings, Social Security and Social Services income (for all persons in the household) TANF, Veterans benefits, unemployment income, military pay, worker's compensation payments, child support, alimony/maintenance

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payments, income or cash value from pensions or retirement plans or from securities, stocks, bonds, etc. Income will be counted for adult children (18 years or older) or other adults who will live at the property and are employed (other than full-time students). **Failure to report household income is considered fraud.** Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government. The penalty for fraud in this case is a \$10,000 fine, prosecution of a felony and repayment of any down payment assistance received.

These income limits, shown in relation to household size, are listed below. All household incomes are calculated based on the number of persons within that household. The 80% of the 2011 HUD Adjusted Median Family Income, (HAMFI) limits was used in this example. However, HUD issues new HAMFI information annually, the *most current* median family income limits, (HAMFI) will supercede any existing data and will be used from that point forward until replaced. While a family of four cannot have an annual income above \$40700, a family of six can have an annual income of \$47250 and qualify for the program.

80% Of The 2011 HUD Adjusted Median Family Income (HAMFI)

Household Size	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Maximum Gross Household Income 80% of median	28500	32600	36650	40700	44000	47250	50500	53750

4. **First time homebuyer:** The purchasers must be a "first time homebuyer" under HUD's definition. HUD defines a first time homebuyer as a person who has not owned a residence for the past three years, with the exception of single parents who have become divorced within the past three years.
5. **Homebuyers Training Program:** Persons who are interested in participating in the Home Buyer Program must attend a Homebuyers Training/Counseling Program. These classes are free but **do require reservations.** Please call the following number to inquire about

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training locations, times and to make a reservation for a particular class:

6. **Type And Amount of Assistance Available:** The maximum amount of assistance provided is determined by the sales price of the unit, secured by a 30 year mortgage held by ANNISTON/CALHOUN COUNTY HOME CONSORTIUM, at a interest rate based upon approved agreement. Interest shall accrue upon the indebtedness owed by the mortgager to ANNISTON/CALHOUN COUNTY HOME CONSORTIUM.

The monthly payment of the mortgage principle and interest cannot exceed 30% of gross monthly income.

The maximum liquid assets at the time of application cannot exceed \$10,000. .

7. **Co-Signer:** The home-buyer must qualify on his/her own merit without a co-signer.

Period of Affordability

In accordance with the provisions of section 92.254(a)(4), "Period of Affordability", the HOME Program establishes the following period of affordability for home ownership assistance based upon the amount of per unit HOME subsidy provided to the home buyer:

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Under	\$15,000	-	5 years
\$15,000 -	\$40,000	-	10 years
Over	\$40,000	-	15 years

To ensure affordability the ACCHC will impose the recapture provision set forth in section 92.254 (a)(5)(ii)(1).

ATTACHEMENTS
