



ISLIP IX BRENTWOOD WORKFORCE HOUSING PROGRAM

PROGRAM GUIDELINES Please Read Carefully

I. Program Description

The Long Island Housing Partnership, Inc. and its Affiliates (LIHP) and the Islip Town Community Development Agency working in cooperation with Islip Town, Suffolk County and New York State Homes and Community Renewal will be constructing 11 new affordable workforce housing units on scattered sites within the hamlet of Brentwood in Islip Town. LIHP, as developer, will be responsible for implementing and administering the Workforce Housing Program under the Program Guidelines.

II. Program Eligibility

In order to be eligible to participate in the Workforce Housing Program, a first-time homebuyer must meet the income limits described below, homebuyer contribution and have an acceptable credit history as defined by the standards contained in these guidelines. These standards reflect the objective that the housing being developed is affordable to and sustainable by the borrower.

a) Income Guidelines

The maximum permitted total annual **household** income for purchasers in the Program shall not exceed 80% of the median annual household income for the area as determined by HUD:

Household Size	Maximum Total Annual Household Income ¹	Household Size	Maximum Total Annual Household Income ¹
1	\$ 62,100	5	\$ 95,750
2	\$ 70,950	6	\$102,850
3	\$ 79,800	7	\$109,950
4	\$ 88,650	8	\$117,050

Income limits may be adjusted annually based on the HUD established Nassau/Suffolk median household income.

¹ Includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Total household income minus allowable exclusions cannot exceed the maximum annual income listed above for your household size. The Long Island Housing Partnership (LIHP) must project the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification. Any person whose earnings will be used to qualify for the program will be required to sign a ‘4506’ tax release form to verify their tax returns with the Internal Revenue Service.



b) **Credit History Standards**

The following credit history standards will be analyzed in conjunction with income limits to determine program eligibility:

- Applicants must have an overall good pattern of credit behavior including a history of timely payments for rent, automobile and installment loans, credit cards and revolving loans as described below. If a good payment pattern has been maintained, isolated cases of slow/late payments may not disqualify an applicant for program eligibility.
 - Applicant must not have been late on rental payments in the last 12 months.
 - Payments on automobiles and installment loans should reflect no late payments in recent 24 months.
 - Payments on revolving loans or credit cards should not have any late payments in recent 24 months.
- Applicants must have a satisfactory income, credit and employment history.
- At a minimum, a bankruptcy must have been discharged at least three years from date of application for assistance and credit re-established.
- At a minimum, a foreclosure sale or a transfer of title in a deed in lieu of foreclosure must be at least three to five years old from date of application for assistance.
- No outstanding collection accounts or judgments.
- As part of the credit history and mortgage ability review, LIHP will utilize the middle credit score of all borrowers from three national credit repositories. At a minimum this credit score must be at least 580. (Higher credit scores may be required by lenders).
- The credit standards listed above are to determine program eligibility and do not represent a mortgage approval. The applicant is responsible for securing a mortgage approval through a responsible lending institution.

c) **Home Buyer Contribution**

Applicants, at time that the application is submitted to LIHP, must have a minimum of 3% of the subsidized sales price in savings and/or checking accounts (not a gift) or verifiable liquid assets from their own funds to apply towards the down payment. At a minimum, the applicant should have 5-10% of the sales price for down payment and closing costs.

d) **Citizenship**

Each person who will be residing in the home must be a U.S. Citizen or a Qualified Resident Alien. For the purposes of this program, a qualified resident alien is an alien who is lawfully admitted to the United States for **permanent residence** under the Immigration and Nationality Act.



III. Gift Letter

LIHP will allow a gift letter from an immediate family member stating that the money provided is in the form of a gift and will not have to be repaid. This letter must be signed, notarized and submitted with the application. This gift contribution **cannot** be used towards the minimum home buyer contribution.

IV. First-Time Homebuyer Requirement

This program is limited to first-time homebuyers only as described below:

- A household that has not owned a home during the three-year period immediately prior to the date of application for assistance is considered a first-time homebuyer.
- Applicants may own vacant land or a vacation timeshare provided that they have not received the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application for assistance.
- Applicants who do not hold title to a home but did receive the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application are not considered first-time homebuyers.
- Please contact LIHP with any questions regarding this requirement.

V. Housing Types

Homes available through the program are newly constructed 3 bedroom single-family ranch style homes with 1^{1/2} bathrooms and garage, and newly constructed 4 bedroom single-family colonial style homes with 2^{1/2} bathrooms and garage. All homes come with a one year warranty provided by the builder. Home designs and floor plans can be viewed at: <http://www.lihp.org/developments.html>.

VI. Homebuyer Selection Areas

The homes are located in the hamlet of Brentwood, Town of Islip, Suffolk County NY.

VII. Purchase Price

The projected unsubsidized purchase price of the ranch home is estimated to be \$232,500 with an anticipated subsidized price of \$172,500. The projected unsubsidized purchase price of the colonial home is estimated to be \$238,500 with an anticipated subsidized sales price of \$178,500.

VIII. Residency Requirement

Applicants must occupy the property as their Principle Residence during the period of affordability. The period of affordability is between ten (10) and fifteen (15) years depending on the source of state and federal subsidies.



IX. Re-Sale Restrictions

There will be restrictions placed on each home to maintain affordability upon future home re-sales during the period of affordability.

X. Pre-Purchase Mortgage Counseling

All income eligible applicants are required to attend homebuyer pre-purchase mortgage counseling. Certified counselors through the Long Island Housing Partnership (LIHP) will conduct the counseling. There is no charge for the counseling.

XI. Applicant Intake and Eligibility

Applications can be completed and submitted online at: www.lihp.org or by being mailed to or submitted to the LIHP office in Hauppauge.

- **Applications are being accepted on a first- come, first-served basis.**

For online applications, LIHP will send a follow-up e-mail requesting supporting documentation to complete the application review process.

Applicants who choose to send their application by mail or bring the application to LIHP's Hauppauge office should include the supporting documentation as listed on the Checklist of Required Documentation with their application submittal.

A letter from LIHP detailing the eligibility or ineligibility will be sent to each applicant after a full review of the applicant has been conducted. Any applicant who does not enter into a contract to purchase a house within six (6) months of the date of income eligibility letter sent by LIHP, **will** be required to have their income eligibility recertified. The recertification process requires that the Applicant resubmit copies of four (4) current paychecks and copies of personal financial information to determine that they still meet the eligibility requirements of the program.



XII. Mortgage Ability

Applicants must have adequate resources and credit to qualify for a home mortgage. LIHP assists qualified applicants in securing a mortgage. (However, it is the responsibility of the applicant to secure a mortgage.) Applicants must submit to LIHP all standard documentation required for mortgage processing, including signed copies of the last three years of their Federal Income Tax Returns, W-2 forms, four (4) most recent, consecutive pay stubs, two (2) most recent, consecutive months bank statements (all pages) and investment accounts showing assets needed for down payment and closing costs. This documentation is required for all household members age 18 and over. Applicants should also have a good credit record and stable earnings history.

LIHP will conduct a mortgage ability analysis to assess an applicant's ability to obtain a mortgage and to sustain homeownership. Factors to be considered in this analysis include income, employment, down payment, credit history and program guidelines. LIHP will also review an applicant's back-end debt to income ratio to determine if it meets program standards. Any loan with a back-end ratio that exceeds 45% will not be permitted.

Mortgages must be with a recognized lending institution. The following types of mortgages are **not** permitted:

1. FHA Mortgages;
2. Private mortgages;
3. "No Doc" Loans, 100% financing, and 80/20 loans;
4. 203K loans;
5. Adjustable rate or interest only loans; and
6. Non-occupying Co-Borrowers are not permitted.

XIII. Asset Limitation Policy

After deducting down payment and estimated closing costs, any household with net liquid assets more than 25% of the Unsubsidized Sales Price, will be referred to the specific program's committee. The committee will examine the applicant's full economic situation and other possible extenuating circumstances to determine if they would be able to purchase a home without the assistance. If it is determined that because of its assets, a household would be able to purchase a home without the assistance and if no relevant extenuating circumstances exist, the household will be deemed ineligible for the Long Island Housing Partnership program to which it applied.

XIV. Annual Recertification

Each year during the period of affordability, a monitoring affidavit will be mailed to the grant recipient. This affidavit will ask the grant recipient to verify in writing that they are in compliance with all grant(s) requirements. Failure to adhere to the terms of the monitoring requirements may result in the immediate recapture of the entire amount of grant funds previously awarded.



XV. Closing

LIHP will notify the applicant when funds are available to close. Based on the applicable grant assigned to the home, the recipient will be required to sign the New York State AHC Note and Mortgage, the Islip Town CDA HOME Note and Mortgage and HOME Written Agreement.

XVI. Complete Application Guidelines

Applications are available by calling LIHP or online at the LIHP website: www.lihp.org.

A non-refundable application fee of \$100.00 made payable to the Long Island Housing Partnership, Inc., is required with the application. Therefore, before you make an application for entrance into this program, read the guidelines thoroughly to be certain that you qualify.

For those applicants applying online, the application fee of \$100 can be paid through the secured PayPal service. Upon completing the online application you will be directed to the payment section. Follow the payment instructions to make payment by debit or credit card. Upon payment you will be sent an email confirming payment and an application receipt. Your application can not be accepted until payment is received.

For those applicants submitting an application by mail or in person, please send the completed application accompanied by a check or money order for the \$100.00 application fee (do not send cash) and a signed copy of the Program Guidelines acknowledgement

To:

**Long Island Housing Partnership
180 Oser Avenue, Suite 800
Hauppauge, New York 11788
Attention: Islip IX/Brentwood**

Please note, only completed applications with required documentation that meet all program guidelines will be considered for this program.

The LIHP staff is available to assist with the application, answer questions or provide any assistance regarding eligibility. We also provide free mortgage counseling. If you have any questions regarding any of the guidelines, please call the Long Island Housing Partnership at (631) 435-4710 before applying.

Disclaimer: It is understood that this is not an offer and that the terms and conditions may be changed at any time by the Long Island Housing Partnership, Inc., and Affiliates. It is further understood that notices by the Long Island Housing Partnership, Inc., and Affiliates may be made in such manner as Long Island Housing Partnership, Inc., and Affiliates may determine, including solely by advertisement.

PLEASE RETAIN A COPY OF THESE GUIDELINES AFTER YOU SEND IN YOUR APPLICATION AS THEY CONTAIN IMPORTANT PROGRAM INFORMATION.



Islip IX Workforce Housing

Projected Financial Information

	<u>Ranch</u>	<u>Colonial</u>
Sales Price:	\$236,500.00	\$242,500.00
NYS AHC Funds	(\$40,000.00)	(\$40,000.00)
HOME Funds	<u>(\$24,000.00)</u>	<u>(\$24,000.00)</u>
Subsidized Sales Price:	\$172,500.00	\$178,500.00
3% Down Payment:	<u>(\$5,175.00)</u>	<u>(\$5,355.00)</u>
Mortgage Amount:	\$167,325.00	\$173,145.00
Principal and Interest:	\$848.00	\$878.00
Taxes and Insurance:	<u>\$683.33</u>	<u>\$733.33</u>
Estimated Monthly Mortgage Payment:	\$1,531.33	\$1,611.33

All projected financial information stated above provides estimates of monthly costs. The minimum down payment of 3% and maximum mortgage amounts are used. A larger down payment results in a smaller mortgage and, consequently, a lower monthly payment. Please keep in mind, applicants are required to have sufficient assets for down payment and closing costs. The projected financial information stated above also projects monthly costs with a 30-year term at a fixed rate of 4.5%.

