



LONG ISLAND HOUSING PARTNERSHIP, INC.

**WILLOW WOOD AT OVERTON PRESERVE
AFFORDABLE WORKFORCE HOUSING PROGRAM**

FORMAL APPLICATION GUIDELINES

Please Read Carefully

I. Program Description

Klar Realty Corp (Developer), in cooperation with the Town of Brookhaven and the Long Island Housing Partnership, Inc. (LIHP), will be constructing new affordable homes in Coram, N.Y. LIHP will be responsible for implementing and administering the Program as described below.

Formal Program Application

Applicants will first be required to execute a Purchase Agreement with the Developer. Developer will then refer the Applicant to LIHP. Applicants will be required to submit a **Formal Program Application** and supporting documents to the Developer. Developer will provide LIHP with all required documentation. LIHP will then conduct an eligibility review to determine if the applicant meets all program guidelines including those relating to income and assets. A letter from LIHP detailing eligibility will be sent to the applicant and the Developer after a full review of the Formal Program Application has been completed. An applicant who is determined to be eligible will be eligible to proceed with purchasing the home through the Program.

Applicants must complete and return the Formal Program Application and supporting documents to the Developer within the allotted timeframe to complete the eligibility review. Failure to do so may jeopardize the applicant's eligibility status.

Execution of a Purchase Agreement or Submission and review of a Formal Program Application does not guarantee eligibility for the Program.

II. Program Eligibility

In order to be eligible to participate in the Program, an applicant must be a first-time homebuyer, must meet all program requirements as described in these Guidelines including income limits, assets limits, homebuyer contribution requirements and must 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 homeowner.

a) Income Guidelines

Condominium units will be available to income eligible households with income that do not exceed 120% of the area median income for Nassau / Suffolk Counties (AMI) as determined by the US Department of Housing and Urban Development (HUD):

Maximum allowable income at 120% AMI:

Household Size	Maximum Total Annual Household Income ¹	Household Size	Maximum Total Annual Household Income ¹
1	\$ 109,100	5	\$168,350
2	\$ 124,700	6	\$180,800
3	\$ 140,300	7	\$193,300
4	\$ 155,900	8	\$205,750

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. **The amount required for a 3% down payment must be shown in the most recent bank statements submitted with application.** The bank statements submitted must show the bank name, account holder's name and account number with a detailed list of transactions. 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 meeting the required minimum 3% home buyer down payment 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.

V. Housing Type

The homes available through the Program are newly constructed condominiums. The homes are located at 3550 Route 112, Coram, N.Y. **Please note that the homes will be constructed in phases over time.**

VI. Purchase Price

The projected unsubsidized purchase price of the home is estimated to be \$339,000. Grants of up to \$40,000 are available bringing the subsidized sales price to \$299,000. (All grants are subject to funding availability and final approval).

VII. Residency Requirement

Applicants must occupy the property as their Principle Residence.

VIII. Re-Sale Restrictions

There will be restrictions placed on the homes to maintain affordability upon future home re-sales.

IX. 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.

X. Mortgage Ability

Applicants must have adequate resources and credit to qualify for a home mortgage. LIHP can assist qualified applicants in securing a mortgage. However, it is the sole 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, 1099 statements, 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 adherence to program guidelines.

All loans to finance the purchase of the home will be reviewed to ensure that they meet program guidelines.

XI. Affordability

To purchase the home, applicants must have:

- a) Sufficient income to pay the monthly mortgage payment, including loan principal, interest, property taxes, and insurance premiums. Applicants must also have sufficient funds for a down payment and closing costs estimated at 5-10% of the sales price; and
- b) The ratio of total monthly housing cost i.e. mortgage payments, property taxes, insurance premiums plus other debt (e.g. credit cards, car payments, school loans, etc.) to monthly household income may not exceed 45%.

Affordability will vary depending on income, sales price, insurance requirements, interest rates, property taxes, and buyer down payment.

XII. Restrictions

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

1. Private mortgages;
2. "No Doc" Loans, 100% financing, and 80/20 loans;
3. 203K loans;
4. Adjustable rate or interest only loans; and
5. 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. Formal Application Submittal

Households interested in participating in the Program must complete the Formal Program Application available from the Developer. Before submitting a Formal Program Application into this Program, read these guidelines thoroughly.

Formal Program Applications and required documentation is available directly from the Developer as follows:

Willow Wood at Overton Preserve
3550 Route 112
Coram, NY 11727
631-946-6200
willowwood@klarhomes.com

XV. Fair Housing And Non-Discrimination

LIHP is committed to promoting fair housing, equal opportunity, and non-discrimination in compliance with all federal, state and local laws, including, but not limited to, the Fair Housing Act, as amended by the Housing for Older Americans Act, the Americans with Disabilities Act, the Civil Rights Act, and the New York State Human Rights Law. The LIHP staff is available to assist with the application, and answer questions about eligibility requirements. In furtherance of this policy, LIHP shall not discriminate on the basis of race, creed, color, national or ethnic origin, sex, sexual orientation, gender identity, familial status, source of income, religion, disability, veteran status, age, or any other basis prohibited by law.

XVI. Limited English Proficiency

Applications and Program Guidelines are available in English and Spanish and will be made available in other languages as requested. LIHP will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) and persons, who have a limited ability to speak, read, or write English, will have meaningful access and an equal opportunity to participate in the Program. Interpreters, translators and other aids needed to comply with this policy shall be provided as reasonably necessary. If you have any questions regarding the guidelines, or need assistance including language assistance such as translation and/or oral interpretation services, please contact the LIHP at info@lihp.org.

Disclaimer: It is understood that this is not an offer and that 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 or email. It is also understood that entry into the lottery is not a guarantee that you meet all program requirements to purchase a home.

PLEASE RETAIN A COPY OF THESE GUIDELINES AS THEY CONTAIN IMPORTANT PROGRAM INFORMATION.