

UNIFOUR CONSORTIUM HOMEBUYER ASSISTANCE PROGRAM DESCRIPTION

What is the Unifour Consortium?

In June of 1995, all twenty-eight (28) local governments in the four county area (Alexander, Burke, Caldwell and Catawba) agreed to form the Unifour Consortium HOME Program, a regional body that has achieved entitlement status from the US Department of Housing and Urban Development. The City of Lenoir serves as the Lead Entity for the Unifour Consortium. For FY 2008 the Unifour Consortium will receive approximately \$1,074,330 to address regional housing issues. These grant funds are made available to the Unifour Consortium under the **HOME** Investment Partnership Act through the US Department of Housing and Urban Development. In other words these are **HOME Program** funds made available through **HUD**. The purpose of the Unifour Consortium is to plan and carry out regional housing activities to benefit low-income beneficiaries. The twenty-eight local governments unanimously selected first-Time Homebuyer Assistance as the primary program activity.

What kind of First-Time Homebuyer Assistance will be offered?

The Unifour Consortium offer a First-Time Homebuyer Assistance Program to applicants by providing **up to \$5,000** for existing homes and **up to \$7,500** for new homes, to eligible first-time homebuyers. This assistance is in the form of **0% interest loan with no monthly payment**. The loan funds must be used to pay the down payment or closing costs to purchase a home.

How and when will the First-Time Homebuyer Assistance Loan be repaid?

Applicants will trigger repayment of the loan in full to the Unifour Consortium, if and when he sells, refinances, or otherwise transfers the property. **If the applicant keeps the property for a full ten (10) years, then the Unifour Consortium will forgive half of the loan. When this happens the applicant will only have to pay back half of the loan amount.** It's a good deal.

What are the Eligibility Guidelines for applicants?

1. First Time Homebuyer. The applicant must not have owned a home in the past three years. Exceptions may be made if a person is being displaced as a result of separation or divorce.

2. Applicant **must provide at least \$500** of their own funds toward the purchase of the home, preferably in the form of an earnest deposit submitted with the offer to purchase.

3. Income requirements. The applicant gross household income must not exceed more than 80% of the area median income adjusted for family size, as provided by HUD. **Household means everyone that will be living in the house now or in the foreseeable future.** Income will be determined by projecting the **gross** household income for the future twelve months. Income will include all gross wages including overtime, alimony, child support, pensions, interest income, social security, income from assets, and etc. Projected gross household income may not exceed the following current income limits.

2010 INCOME LIMITS BASED ON FAMILY SIZE

<u>1 Person</u>	<u>2 Persons</u>	<u>3 Persons</u>	<u>4 Persons</u>	<u>5 Persons</u>	<u>6 Persons</u>	<u>7 Persons</u>	<u>8 Persons</u>
\$29,500	\$33,700	\$37,900	\$42,100	\$45,500	\$48,850	\$52,250	\$55,600

HUD may adjust these income limits annually.

4. Ability to Secure Mortgage Loan. **The applicant must have a good credit history and be able to receive a mortgage loan from one of the Unifour Consortium's Participating Lenders.** Applicants participating with owner-financed mortgages are not eligible for Consortium assistance.

5. Unifour Consortium's Homeownership Class. The applicant must complete the Unifour Consortium First-Time Homebuyers Class through the Western Piedmont Council of Governments.

What types of housing are eligible?

Property must be located within the Unifour Area (Alexander, Burke, Caldwell or Catawba Counties). They include existing homes and new construction.

All homes must be inspected by a licensed professional home inspector.

All homes must meet Section 8 Minimum Housing Quality Standards, applicable zoning, minimum housing codes, and any other standards as required by the lending institution. **Note: All homes built prior to 1978 cannot have any peeling, flaking and/or chipping paint anywhere on the inside or outside of the structure. Homes with peeling, flaking, and /or chipping paint will not be acceptable by the Unifour Consortium HOME Program. In order for a home built prior to 1978 to be acceptable, the Unifour Consortium must first receive a full inspection report from a professional inspector stating the condition of the house and that there is no visible peeling, flaking and/or chipping paint anywhere on the inside or outside of that structure. Secondly,**

then a representative from the Unifour Consortium must confirm those finding with an on site inspection.

Eligible homes include single-family, site built homes, townhouses, and condominiums.

Some Modular homes are allowed. **Mobile Homes and Doublewides are not allowed.** Only those pre-manufactured homes that meet North Carolina Residential Building Codes are eligible. No on frame construction. **All modular homes must be pre-approved by the Unifour Consortium.** Borrowers must own their land.

All homes purchased must be the applicant's principal residence.

Maximum home prices are \$210,000.

What are Participating Lending Institutions?

Participating Lending Institutions are approved lending institutions that are cooperating partners with the Unifour Consortium's First-Time Homebuyer Assistance Program. Participating Lender may offer a some of the following benefits to the applicant:

- Competitive interest rates
- Waived or reduced fees such as origination fees
- Waived credit report cost
- Waived flood certification cost
- Waived PMI

The following are Participating Lenders:

BB& T

Sun Trust formerly CCB

First Citizens

Bank of America

Wachovia

Rural Development

Habitat for Humanity

How does an applicant apply for Homebuyer Assistance?

For more information about applying for the First Time Home Buyer Assistance Program applicants may contact:

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