



Down Payment Assistance Program Policies and Procedures 2019-2020

CDCU administers Down Payment Assistance (DPA) funds on behalf of
Salt Lake County, Salt Lake City and Taylorsville

PROGRAM OVERVIEW & REQUIREMENTS

****2019-2020 Changes**** There is a limited amount of funds for Sandy, South Jordan, West Jordan this year. The Salt Lake County program can only cover 50% of the required down payment, applicants are responsible for covering 50%. Funds are not available for West Valley City.

DPA's are **federally funded deferred loans with no payment and no interest that are forgivable after a period of time** and can be applied towards the **down payment and/or closing costs** of a home purchase transaction. Homebuyer **cannot** receive cash back at closing.

Applicant(s) must be income eligible at or below 100% of the Area Median Income (AMI). Entire household income cannot exceed the current HUD limits below adjusted per household size:

Household income includes income **received** by all adult members **over the age of 18** who will be living in the home to be purchased.

| Household Size | Maximum Yearly Household Income |
|----------------|---------------------------------|
| 1 Person | \$61,500 |
| 2 Persons | \$70,300 |
| 3 Persons | \$79,100 |
| 4 Persons | \$87,900 |
| 5 Persons | \$94,900 |
| 6 Persons | \$102,000 |
| 7 Persons | \$109,000 |
| 8 Persons | \$116,000 |

Property must be within eligible program boundaries (see eligible boundaries).

The property must be occupied by the Homebuyer as the **primary residence** during the entire deferred loan term.

Purchase property must be **owner occupied**. If purchase property is **renter/tenant occupied by any person with a binding lease agreement**, DPA funds cannot be provided.

Housing (front-end) ratio cannot exceed **35%-40%** and **Debt-to-income (back-end) ratio** cannot exceed **45%-50%** of the household monthly gross income.

\$1,000 borrower contribution and cash reserve required to cover at least one month of housing expenses. **Assets** will be reviewed.

Applicant(s) must be under contract (have an accepted offer) to purchase a property at the time of submitting a DPA application.

Eligible applicant(s) **will receive their financial award on a first-come, first-qualified basis. No waiting lists and no funds will be reserved.**

Processing Time 25-30 business days

COMPLETED APPLICATION DELIVERY

EMAIL: dpa@cdcutah.org

FAX: 801-994-7220 Attn: DPA Dept.

IN PERSON: 501 E. 1700 S. SLC UT, 84105

AVAILABILITY OF FUNDS

The DPA program funds are typically available in the fall of each year. Funds are processed and given on a first come, first qualified basis and/or until depletion of funds. The funding year ends on June 30 of each year, and all loans must have closed by that date or they will not be eligible for funds. No applications will be accepted after June 10 of each year in order to meet this deadline.

There is a limited amount of DPA funds available each fiscal year. CDCU and/or municipal entity reserves the right to expand or terminate the program as funds permit. CDCU and/or the municipal entity may also set aside a portion of the funds for special projects in accordance with federal and local guidelines.

ELIGIBLE APPLICANTS

All applicants must meet gross household income eligibility, debt ratios, residual income, cash reserve, assets, and minimum contribution requirements.

Applicant(s) **must be under contract** (have an accepted offer) to purchase a property at the time of submitting an application.

Non-occupant co-signers on the first mortgage are allowed. Income from non-occupant co-signers **will not** be taken into consideration when determining eligibility for DPA based on household income and applicant total debt ratio. Applicants must be able to afford the loan and debt on their own.

ELIGIBLE HOMES

Only owner-occupied units located within program boundaries are eligible for consideration. Existing and new single-family homes, condominiums and townhomes are permitted. Duplexes, multi-family units and mobile or manufactured homes are not permitted.

The purchase property must not lead to the displacement of any individual other than the seller and their immediate family in accordance to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. If

purchase property has been **renter/tenant occupied by any person with a binding lease agreement within the last 90 days**, DPA funds **cannot** be provided.

Purchased property must be zoned for **residential use only**, unless it can be established that said property is in an area that has been predominately residential for many years and there is no government program endangering the residential integrity of the area.

RECORDING POSITION

For purchase transactions, DPA lien position can be recorded behind superior liens such as a First Mortgage, Community Second loan or a Utah Housing loan that benefits the buyer. Cannot be lower than third position.

ELIGIBLE LOANS

Types of acceptable financing are fixed rate loans such as FHA, Conventional, USDA and VA. There cannot be excess upfront fees defined as more than 3% of the loan amount for loans that equal or exceed \$80,000 and 5% for loans less than \$80,000.

ELIGIBLE BOUNDARIES

It is the applicant's responsibility to check the precise location area of the purchase property address on the [Salt Lake County Assessor website](#) to ensure it is within the respective program boundaries.

Taylorville- Property must be within Taylorsville City boundaries according to the [County assessor](#).

Salt Lake City- Property must be within Salt Lake City boundaries according to the [County assessor](#).

Salt Lake County- Eligible properties must be within the boundaries of: Alta, Bluffdale, Midvale, Draper, Cottonwood Heights, Herriman, Holladay, Millcreek, Murray, Riverton, South Salt Lake, the 5 Metro Townships of Copperton, Emigration Canyon, Kearns, Magna, White City and the balance of the Unincorporated County, according to the [County assessor](#). ***There is a limited**

amount of funds this year 19-20 for the following cities: Sandy, South Jordan, and West Jordan.

INCOME LIMITS

The household must be income eligible at or below 100% of the Area Median Income (AMI) and meet HUD income limits which are updated on an annual basis.

Income for all household members over the age of 18 will be included in the total household income calculation. Possible sources and proof of income include, but are not limited to: pay stubs, SSI/SSA award letter, profit & loss statement (if self-employed), tax returns, 1099, W-2, etc.

INCOME CALCULATION

DPA income calculation can vary from lender income calculation. CDCU uses the HUD approved IRS 1040 adjusted gross income calculation method. Please see the link below for more information about inclusions and exclusions that are accepted using this method (See Exhibit 3.15) https://www.hud.gov/sites/documents/19754_1780.PDF.

In general, the most recent 2 months of gross income is projected over the following 12-month period. Variable income such as overtime, commissions, and bonuses will only be considered if they reflect as regular on the paystubs. We take into consideration all the income documentation provided with the application as support.

AWARD AMOUNT DETERMINATION

Our current award amount determination method is based on the funds needed to close indicated by the official Loan Estimate while taking into account any gifts, seller concessions and lender credits. Additionally, **Salt Lake County** applicants must contribute 50% of the required down payment to the transaction. Total combined down payment from all sources (including DPA funds, seller paid costs, gift funds and any other assistance program) cannot exceed **10%** of the purchase price, otherwise award will be reduced.

REQUIRED FUNDS

All programs require the homebuyer to contribute a **minimum of \$1,000** in personal liquid funds towards the purchase transaction. Gift funds will not be considered personal funds.

CASH RESERVE AFTER PURCHASE

Homebuyers are required to have sufficient cash or other liquid resources such that, after closing, there are financial resources available to cover at least one month of the total monthly housing expenses included in the front-end ratio.

RESIDUAL INCOME

Residual income equals gross monthly income minus all front-end and back-end expenses. Homebuyers must meet the federally established residual minimum amounts. Households that do not have sufficient residual income will be required to fall within the lower debt ratios of 35% front end and 45% back-end.

| Household Size | Residual Income Minimum |
|----------------|-------------------------|
| 1 Person | \$491 |
| 2 Persons | \$823 |
| 3 Persons | \$990 |
| 4 Persons | \$1,117 |
| 5 Persons | \$1,158 |
| Over 5 people | \$80 per person up to 7 |

Loan Amounts \$80,000 and Above

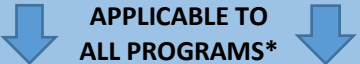
DEBT RATIOS

Housing (front-end) ratio: Not to exceed 40% if household meets residual income standards; not to exceed 35% if household does not meet residual income standards. Expenses included are mortgage principal and interest, real estate taxes, homeowner's insurance, mortgage insurance premiums, association fees, ground lease fees, and any other similar housing fees.

Debt-to-income/DTI (back-end) ratio: Not to exceed 50% if household meets residual income standards; not to exceed 45% if household does not meet residual income standards. Expenses include all front-end expenses, all recurring

consumer debt (credit cards, auto loans, student loans, personal loans, other installments and revolving debt on credit report), alimony, and child support.

TERMS OF ASSISTANCE PROVIDED

| DPA Program | *Award Amount | Max Purchase Price |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|
| Salt Lake City & SLC plus | up to \$14,000 | \$332,500 |
| Community Heroes | Up to 5% of sales price | \$332,500 |
| Salt Lake County | up to \$10,000 | \$350,000 |
| Taylorville | up to \$10,000 | \$350,000 |
|  APPLICABLE TO ALL PROGRAMS* | | |
| Forgiveness Term: 5 years | | |
| Interest Rate: 0% | | |
| Payments: Deferred (No payments due) | | |
| Requirement: Property must remain as the primary residence. | | |
| Repayment: The original DPA deferred loan/grant amount shall be repaid in full if the homeowner sells, exchanges, transfers title, decides to refinance for any non-qualifying reason, or ceases to live in the property as the primary residence before the forgiveness term is satisfied. | | |
| *Excluding Community Heroes which is never forgiven. See program disclosure for terms. | | |

ASSET REVIEW

Applicable assets in excess of \$10,000 must be invested in the purchase of the home by the homebuyer. Applicable assets include the following: i. Cash, ii. checking or savings accounts that are not verified by the homebuyer as retirement assets OR required to be used at closing by the primary lender to pay off existing debt; iii. Stocks, mutual funds, money market funds, certificate of deposits, and bonds that are not identified by the homebuyer as retirement assets, iv. All retirement and education asset accounts are to be excluded. Homebuyers can

verify to the purpose of account(s) through a signed statement.

OWNER OCCUPANCY

The applicant, and co-applicant (if applicable) must own and occupy the property as the primary residence and are subject to an annual affidavit stating they still remain in the home.

CREDIT RATING

There is no minimum FICO credit score requirement to participate in the DPA program. The credit report submitted with the application will be used to verify the applicant’s credit history.

FAIR HOUSING & EQUAL OPPORTUNITY

It is CDCU’s policy that all aspects of this program shall be conducted without regard to race, color, religion, sex, disability, familial status, age, source of income, national origin, sexual orientation or gender identity. CDCU adheres to all State and Federal Fair Housing and Civil Rights laws, including the Equal Credit Opportunity Act, and encourages minorities, women, and people with disabilities to seek funding.



SUBORDINATIONS of previously received DPA's

Subordinations are subject to review and may be approved under the following refinancing reasons:

- Catastrophic events
- Reducing interest rate and/or monthly payments on the mortgage
- Home repairs or retrofitting the home to be accessible with a professional bid and photo supporting evidence
- Repairing an automobile utilized for work, school, or other critical transportation need with supporting evidence
- Pay off any type of reasonable debt so long as the refinancing results in an increase in residual income or a decrease in monthly credit report obligations
- Subordinations **will not** be approved for HELOC transactions

In refinance transactions, the DPA lien must retain a 2nd position behind the first mortgage.

Subordination request form along with the required documentation must be submitted and emailed to payoff@cdcutah.org

Online subordination form: <https://cdcutah.org/work-with-us/subordination-and-payoffs/>

There is a **\$75.00** subordination processing fee.

PAYOFFS for previously received DPA's

If a homebuyer has received DPA funds in the past, depending on the specific DPA program and the year it was awarded, CDCU will verify the repayment/forgiveness term reflected on the promissory note.*

DPA must be repaid when a triggering event occurs within the repayment period. These may include any of the following:

- Sale of the property
- Transfer of title to another party
- Owners move out of the home
- Refinancing and taking cash out for non-qualifying activity
- Owner applies for a 2nd mortgage or home equity loan/line of credit

The online Payoff request form along with the required documentation must be completed and emailed to payoff@cdcutah.org

Additionally, to release an expired/satisfied or previously paid DPA lien, the payoff form must be completed and submitted.

Online payoff form: <https://cdcutah.org/work-with-us/subordination-and-payoffs/>

There is a **\$75.00** reconveyance/lien release processing fee.

***Note:** DPA program repayment/forgiveness terms vary and have changed over time.



DPA Program Application 2019-2020

Process and Time

APPLICATION SUBMISSION

All applicants must submit a fully completed application with the household's most current information and with copies of all the documents listed on the "New Application Checklist." Applications submitted with any missing information or documentation will not be accepted and/or denied. Once complete information has been submitted, CDCU will evaluate eligibility and contact the applicant if additional information is needed. After completing the application review, a notification of the results will be disclosed within 5 business days of completed submission.

HOMEBUYER EDUCATION & COUNSELING

The applicant must attend a **HUD-approved homebuyer education class** and submit a completion certificate from one of the approved course providers:

- CDCU: (801)-994-7222
- Online: www.cdcutah.org (Framework)
- Neighborworks: (801)-539-1590
- Online: eHomeAmerica
- AAA Fair Credit Foundation 1-800-351-4195
- USU Extension (801)-477-7391

A free 1 on 1 in person counseling session is also mandatory in addition to the homebuyer education class. Counseling appointment will be typically scheduled once application approval is granted. Counseling completion certificate must be submitted prior to closing. Contact CDCU for more information at 801-994-7222.

VISUAL ASSESSMENT

Before issuing DPA funds, a third party inspector will be in contact with the real estate agent or owner to perform a visual assessment of the property. The inspector will check for the presence of health and safety concerns, including visual testing for lead-based paint dangers in homes built prior to 1978 as required by federal guidelines (**HUD: 24 CFR Part 35 subpart K**). A report will be provided with the results and will indicate if there is any remediation required. Please be aware that current regulation states that homes being purchased using federal funding must have a smoke detector in all bedrooms and common areas of the home and carbon monoxide detectors on every level of the home.

****Radon Testing is offered only to Salt Lake City DPA program applicants.**

PROCESS STEPS & TIME

25-30 days (*We are unable to process rushes*)

1. Application Eligibility & Underwriting Review: Results response provided within 5 business days

2. Environmental Report: Once CDCU has qualified the applicant, CDCU will request environmental clearance from the participating municipality (Up to 1 week to complete)

3. Letter of Commitment & Lead Based Paint form: CDCU must receive environmental clearance first to send this letter (1-2 business days to complete)

4. Visual Assessment: CDCU will order the visual assessment through a contract company. Disbursement of funds is contingent upon the property passing the visual assessment inspection. (1-2 weeks to complete)

*Please note that smoke detectors must be installed on every floor and in each bedroom.

*Radon Gas Test: (offered by [Salt Lake City](#) only)

If Applicant(s) agree to have the free radon gas testing done, CDCU's assigned agent will perform a radon gas test to identify the level of radon gas present in the property. Applicant(s) will be **strongly encouraged but not required to mitigate** any test **levels that are above 4.0pCi/L**. This applies to all housing types (single family, townhome, condominium, etc.)

The applicant(s) may proceed with the transaction and receive down payment assistance. If the applicant(s) chooses to mitigate, the cost of radon gas mitigation will be the responsibility of the seller and/or buyer.

5. Due Diligence: CDCU needs to review the appraisal report, title report, lender affidavit as well as the evidence of homeowner's insurance reflecting CDCU as additional insured. (1-2 business days to complete)

Please note: CDCU must remain an additional insured on the homeowner's insurance until the deferred loan is paid in full.

6. Review Closing Disclosure (CD): CDCU must receive a copy of the CD 3 days prior to closing for

review and approval of program compliance requirements. CDCU needs adequate time to complete the DPA closing packet. (This includes a recorded trust deed, notice of default, and promissory note). We ensure all items are reflected correctly and must sign off of the CD in order to release funds. (3 business days)

7. Settlement: Once all items have been satisfied, CDCU will wire transfer the DPA award amount or a check will be provided for pickup by the title company at our office. (3 business days to complete)

SIGNED LOAN CLOSING DOCUMENTS TO BE RETURNED TO CDCU

- 1) Escrow Agent Letter of Instructions
- 2) Original Promissory Note
- 3) Original Recorded Deed of Trust
- 4) Original Recorded Request for Notice of Default
- 5) Visual Assessment Disclaimer
- 6) Final Closing Disclosure
- 7) 1st Mortgage Note
- 8) Final Title Policy

Questions & Additional Information

If you have any questions or concerns regarding the different DPA programs or the application process please contact our office (801)-994-7222 TY711 or email us at dpa@cdcutah.org. Se habla español, se fala Português; interpretation services are available upon request.



DPA Application Checklist 2019-2020

Applicant Name(s): _____

Purchase Property Address: _____

Please provide the following with this application. Applicant(s) must fully complete **ALL SECTIONS** and submit **ALL CHECKLIST ITEMS** in order for this application to be considered complete. **Incomplete applications will NOT be reviewed for approval.**

Copies of the following documents are required for the APPLICANT(S) AND ALL HOUSEHOLD MEMBERS THAT EARN INCOME:

- Entire completed and signed Down Payment Assistance application (following pages 1-15 as applicable)
- One form of valid government photo ID (i.e. Driver's License, State I.D, Passport, Permanent Resident card)
- Pay Stubs for the most recent 2 months (These must be consecutive and without gaps)
- Statement/Award letter and Form 1099 for any cash assistance, social security, disability, retirement, trust, pension, unemployment, etc. (if applicable)
- If Self-Employed, provide the Profit & Loss Statement or Income Worksheet for the past 3 months
- Certification of Zero Income form for any member (18 years or older) of the household that does not receive income (if applicable)
- Bank Statements for the most recent 2 months & any other investment or bank account statements
- W-2's for the most recent 2 years
- Most Recent Federal Tax Return (signed)
- Signed Real Estate Purchase Contract (REPC) (including all addendums)
- Credit Report (lender can help provide)
- Loan Estimate (LE) (lender can help provide)
- Loan Application (1003) (lender can help provide)
- Transmittal Summary (1008) (lender can help to provide)
- Verification of Employment from employer and/or Lender income calculation worksheet (lender can provide)

Upon approval- The additional documentation is required before funds can be disbursed:

- Certificate of completion for HUD approved Home Buyer Education course (see program guidelines for approved classes)
- Certificate of completion for HUD-approved Pre-purchase Counseling (Call our office to schedule 801.994.7222)
- Preliminary Title Report confirming that the property appears to be free & clear for sale to applicant
- Appraisal Report
- Evidence of Homeowner's Insurance with CDCU listed as additionally insured
- Closing Disclosure 3 or more days prior to closing showing our specific verbiage
- Environmental Clearance from participating municipality (CDCU will order & verify)
- Property must pass visual inspection (CDCU will order & verify)





Purchase Property & Contact Information

PURCHASE PROPERTY INFORMATION

Address: _____

City: _____, UT Zip: _____

Purchase price: \$ _____ Anticipated closing date: _____

Home Type: Detached single-family residence Condominium Townhome Other _____

Year built: _____ # of bedrooms: _____ ENERGY STAR rated? Yes No Wheelchair accessible? Yes No

First-time Homebuyer? Yes No

CONTACT INFORMATION

Buyer Information— please provide contact information for *all* buyers

Buyer Name(s): _____

Phone #: _____

Email: _____

Buyer's Real Estate Agent – Please complete with as much information as you have available.

Agent Name: _____

Company: _____

Phone #: _____

Email: _____

Seller's Real Estate Agent – Please complete with as much information as you have available.

Agent Name: _____

Company: _____

Phone #: _____

Email: _____

Lender Information– Please complete with as much information as you have available.

Loan Officer: _____

Company: _____

Phone #: _____

Email: _____

I am interested in (check all that apply): Managing my finances Purchasing a home Fixing my home Saving my home

APPLICANT INFORMATION

Applicant: _____
Address: _____
City: _____ **State:** _____ **Zip:** _____
Home Phone: _____
Work Phone: _____
Cell Phone: _____
Email: _____
DOB: _____ **SSN:** _____
Highest Level of Education: _____
Sex: Male Female **Ethnicity:** Hispanic Non-Hispanic
Race: White Black Asian
 American Indian or Native Alaskan
 Native Hawaiian or Other Pacific Islander
 Other: _____

CO-APPLICANT INFORMATION

Co-Applicant: _____
Address: _____
City: _____ **State:** _____ **Zip:** _____
Home Phone: _____
Work Phone: _____
Cell Phone: _____
Email: _____
DOB: _____ **SSN:** _____
Relation to Applicant: _____
Sex: Male Female **Ethnicity:** Hispanic Non-Hispanic
Race: White Black Asian
 American Indian or Native Alaskan
 Native Hawaiian or Other Pacific Islander
 Other: _____

Have you received services from other counseling agencies? _____
How did you hear about our organization? _____

HOUSEHOLD INFORMATION

The following questions are for survey purposes only and do not affect an applicant's eligibility.

Marital Status: Single Married Separated Divorced Widowed
Household Type: Single Adult Two or more unrelated adults Married with children Married without children
 Female headed single parent household Male headed single parent household Other _____
Is there a household member who is: Disabled Veteran Elderly
 Disabled Dependent Active Duty Military Foreign Born

Household is English proficient Household is not English proficient

Do you need any special accommodations for language or disability? _____

Current Housing Situation: Homeowner Renter Other: _____

Have you owned a home in the past three years? Yes **Do you own a mobile home?** Yes **Do you own any real estate?** Yes

If you answered "yes" to the three questions above: Estimated Value \$ _____ Balance Owed \$ _____

Please provide the following information for all household members other than applicant & co-applicant:

| | <u>Name</u> | <u>Relationship</u> | <u>Age</u> | <u>Date of Birth</u> | <u>Sex</u> | <u>Ethnicity</u> | <u>Race</u> |
|----|-------------|---------------------|------------|----------------------|---------------------------------------------------------------|-----------------------------------|-------------|
| 1. | _____ | _____ | _____ | _____ | <input type="checkbox"/> Male <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic | _____ |
| 2. | _____ | _____ | _____ | _____ | <input type="checkbox"/> Male <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic | _____ |
| 3. | _____ | _____ | _____ | _____ | <input type="checkbox"/> Male <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic | _____ |
| 4. | _____ | _____ | _____ | _____ | <input type="checkbox"/> Male <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic | _____ |
| 5. | _____ | _____ | _____ | _____ | <input type="checkbox"/> Male <input type="checkbox"/> Female | <input type="checkbox"/> Hispanic | _____ |

Does anyone live with you now who is not listed? Yes Does anyone plan to live with you in the future who is not listed? Yes

Additional household members listed on a separate page. If you answered "yes" to the above questions, please include their information.

HOUSEHOLD INCOME INFORMATION

Gross Annual Household Income: \$_____ (total yearly income for entire family, before taxes & deductions)

Applicant Employment Information:

Employer Name: _____

Business Type: _____

Title: _____

Start Date: _____

Pay Period: Weekly Bi-Weekly Semi-Monthly Monthly

Hourly Income: \$ _____

Average Hours Worked per Week: _____

Gross Monthly Income: _____

Net Monthly Income: _____

Other Income: _____

I am a: Certified Teacher Sworn law-enforcement officer
 Firefighter or Certified Emergency Medical Technician

Co-Applicant Employment Information:

Employer Name: _____

Business Type: _____

Title: _____

Start Date: _____

Pay Period: Weekly Bi-Weekly Semi-Monthly Monthly

Hourly Income: \$ _____

Average Hours Worked per Week: _____

Gross Monthly Income: _____

Net Monthly Income: _____

Other Income: _____

I am a: Certified Teacher Sworn law-enforcement officer
 Firefighter or Certified Emergency Medical Technician

Other household members over the age of 18: Additional household members included on a separate page

Name: _____

Employed: Yes No

Employer Name: _____

Title: _____

Start Date: _____

Pay Period: Weekly Bi-Weekly Semi-Monthly Monthly

Hourly Income: \$ _____

Average Hours Worked per Week: _____

Name: _____

Employed: Yes No

Employer Name: _____

Title: _____

Start Date: _____

Pay Period: Weekly Bi-Weekly Semi-Monthly Monthly

Hourly Income: \$ _____

Average Hours Worked per Week: _____

I certify that the information above is true and correct to my knowledge:

Applicant Signature

Printed Name

Date

Co-Applicant Signature

Printed Name

Date



Community Heroes Down Payment Assistance Program Disclosure Statement

This program funded by Salt Lake City “Funding our Future” sales tax revenue was designed to provide income eligible first responders, law enforcement, care-givers, and educators with financial assistance to use toward the down payment and/or closing costs for the purchase of a home within Salt Lake City limits. It is the applicant’s responsibility to check the purchase property address on the [Salt Lake County Assessor’s website](#) to confirm the property is within the eligible Salt Lake City limits.

Eligibility Requirements

- Must be a Community Hero defined per below:
 - All non-elected public employees, including:
 - o Frontline fire fighters
 - o Police officers
 - o 9-1-1 dispatchers (defined as telephone, radio, or computer operator that connects people in need with fire, police and medical emergency services)
 - o Public school teachers, teacher’s aides, adjunct professors or school administrators, either full or part time, at any licensed and accredited school located in Salt Lake City.
 - o Librarians, either full or part time, at any licensed and accredited school located in Salt Lake City.
 - Paramedics
 - Emergency Medical Technicians
 - Teachers, teacher’s aides, adjunct professors or school administrators working in the private sector, either full or part time, at any licensed and accredited school located in Salt Lake City
 - Caregivers and health providers, defined as CNA’s, RN’s, LPN’s, physical therapists, social workers, clinical mental health providers, providers of eldercare, day care workers or nursery school teachers.
 - Military personnel (active or retired)

[Community Heroes Salt Lake City:](#)

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Award Amount: 3% to 5% of the purchase price based on AMI | Purchase Price Limit: \$332,500 |
| Forgiveness: Never Forgiven | |
| Interest Rate: 0% | Payments: Deferred (No payments due) |
| Requirement: Property must remain as the primary residence | |
| Repayment Terms: The original DPA deferred loan amount shall be repaid in full if the homeowner sells, exchanges, transfers title, decides to refinance for any non-qualifying reason, or ceases to live in the property as the primary residence. | |

| Household AMI | Maximum Assistance |
|---------------|--------------------|
| 51-60% | 5% |
| 61-70% | 4% |
| 71-100% | 3% |



The following requirements and restrictions on occupancy apply to the Community Heroes program and must be strictly followed to be in compliance. These restrictions are recorded against the property in the Deed of Trust.

- Assistance can only be provided to homebuyers whose combined household income does not exceed 100% of Area Median Income (AMI) at the time of application, adjusted for household size, as defined by the current income limits for Salt Lake County published by the U.S. Department of Housing and Urban Development (HUD)
HomeBuyer must meet eligibility criteria and submit an verification of employment (requested by lender)
Must work and live or be relocating to Salt Lake City
The property must be occupied by the Homebuyer as the principal residence for the entire term of the loan
The property is required to pass a visual assessment inspection to ensure federal health, safety, code issues or lead-based paint hazards are addressed. The current assessment fee is \$75. This fee along with any other fee associated with the down payment assistance transaction will be taken from the award amount at closing.
Homebuyers must contribute \$1,000 in personal liquid funds towards the transaction
Homebuyers must meet minimum residual income guidelines depending on household size
Homebuyer must meet cash reserve requirement to cover at least one month of the total monthly housing expenses included in the front-end ratio
Applicable assets in excess of \$10,000 must be invested in the purchase of the home by the homebuyer.
The home must be maintained at all times in accordance with CDCU's Maintenance Policy.
Homebuyers must pay all taxes, special assessments, and maintain homeowners insurance. Failure to comply with these requirements will cause the note to become due and immediately payable.
Please be advised that due to federal guidelines, CDCU will notify the seller on behalf of the buyer of the fair market value determined by the official appraised value once available.
No exceptions to forgive repayment of the full or partial amount of the deferred loan will be granted
Homebuyer agrees to cooperate and comply with CDCU's annual monitoring requirements by supplying true and accurate owner information.

I certify under penalty of perjury that the information in this application is true and correct to the best of my knowledge. I hereby authorize CDCU to verify all information provided using whatever verification methods and documentation is necessary. I understand that false or misleading information provided by me may cause this application to be denied and or legal action may be taken against me. Furthermore, if any false or misleading information provided in this application is discovered after the transaction is completed, I will be held personally and financially liable for the transaction costs plus interest at twelve percent (12%) per annum and any legal fees.

WARNING: Section 1001 of Title 18 of the U.S. Code making it a criminal offense to make willful false statements or misrepresentations to any department or agency of the U.S. as to any matter within its jurisdiction.

Homebuyer Signature

Homebuyer Signature

Printed Name

Printed Name

Date

Date



Notice to Seller & Occupancy Certification

AFFIANT (seller) _____ states and represents that:

1. Affiant is the owner, or an interest holder in a partnership, or an officer and shareholder of a corporation, which owns and is voluntarily selling the property located at:

_____ hereafter referred to as “the property.”
 Number & Street City Zip Code

2. Affiant has entered into an agreement to sell the property with:
 _____ (Buyer).

4. Affiant is advised the buyer has submitted an application to Community Development Corporation of Utah (CDCU) to obtain a federally funded deferred loan/grant to apply towards the purchase of the property.

5. Affiant is hereby notified that neither CDCU nor the Buyer has power of eminent domain and therefore, if negotiations fail to result in an amicable agreement, CDCU shall not acquire said property and affiant is under no obligation to complete the sale of the property.

6. A preliminary estimate of the fair market value (i.e. purchase price) of the property listed in the Real Estate Purchase Contract (REPC) offer was provided prior or concurrent with the REPC. Affiant will receive an additional notification with the fair market value determined by the appraised value once available. If the appraised value differs from the stated preliminary estimate value (i.e. purchase price), the affiant has the opportunity to withdraw from the existing agreement.

7. Affiant hereby consents CDCU to complete a visual inspection of the home to ensure federal health, safety, code issues, and/or lead-based paint hazards are verified. Inspection may include radon gas testing.

8. Affiant asserts that: Other than the Affiant and Affiant’s immediate family, no persons have resided at the property during the previous 90 days, OR if any person other than the Affiant and Affiant’s immediate family has been a tenant residing at the property during the last 90 or more days, the tenancy of any such person in the property has not been terminated as a result of the planned sale to Affiant’s purchaser.

***REQUIRED:** Table below must be completed by listing ALL individuals that have occupied the property in the last ninety (90) days prior to the date of the purchase offer to the present date. If property has not been occupied in the last ninety (90) days, write vacant or N/A:

| Full Name | Part of the Owner’s Household? Y/N | Currently residing in the property? Y/N |
|-----------|------------------------------------|-----------------------------------------|
| | | |
| | | |
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| | | |
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| | | |

As indicated in the purchase offer, no additional persons may be permitted to occupy the property without first being issued a prospective move-in tenant notice.

I hereby acknowledge my responsibilities under the preceding statement and declare the occupancy list to be accurate to the best of my knowledge and belief. I understand this information is submitted for the purpose of preventing conflict with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. If I fail to provide accurate occupancy information for the above mentioned property, **CDCU** may hold me liable for the cost of all relocation claims and related legal costs relating to persons omitted from the occupancy list.

***Note:** *Email is needed to send the seller an additional notification letter with the fair market value determined by the appraised value once available in accordance to federal funding guidelines.*

Date: _____

Email: _____

Affiant (Seller) Signature

Affiant (Seller) Signature

Printed Name

Printed Name



Authorization for Release of Information

The undersigned hereby authorizes Community Development Corporation of Utah (CDCU) to use, reproduce and release all personal and financial information regarding the undersigned to any governmental agencies which may include: Salt Laker County, Salt Lake City, The City of Taylorsville, The U.S Department of Housing and Urban Development (HUD), Housing Partnership Network and/or NeighborWorks America Data Collection System and/or their agents, and any other persons, as may be reasonably required of CDCU, for purposes of processing and completing the application, reporting, providing proof of appropriate use of funds and other monitoring required by such governmental agencies or private persons or entities. By signing this authorization, the undersigned agrees and consents to such use and reproduction of the information for necessary/reasonable purposes of CDCU. The undersigned also agrees, upon request, to provide follow-up information to CDCU for the purposes of program evaluation, monitoring, and compliance.

The undersigned also understands and agrees that CDCU may verify any and all information on the down payment assistance application directly with the employer and/or the financial institution or any other third party agencies used to obtain a loan. Such information includes, but is not limited to, employment history and income, bank, money market and similar account balances; credit history, tax documents. I understand that photocopies of this information may be used for the purposes stated. If I do not sign this authorization, I understand that my application may be denied.

Homebuyer Signature

Date

Printed Name

Homebuyer Signature

Date

Printed Name

Optional

The undersigned hereby authorizes Community Development Corporation of Utah (CDCU) to use the name and pictures of the family members of the undersigned in publications and promotional information provided to third parties by CDCU. By signing this authorization, the undersigned agrees and consents to such use and reproduction of the information for the reasonable purposes of CDCU.

Homebuyer Signature

Date

Homebuyer Signature

Date



Lender Affidavit

The undersigned affirms that:

1. The undersigned represents the Lender responsible for issuing the purchase money loan (in first position) for the purchase of the residence located at:

Property address *City* *Zip Code*

issued to _____ as buyer.

Name(s)

2. The undersigned will read the executed Down Payment Assistance (DPA) Letter of Commitment between Community Development Corporation of Utah (CDCU) and the buyer, with respect to the deferred loan/grant being made to help finance down payment and/or closing costs associated with the purchase of the property referenced above.
3. In order to complete the DPA application process in a timely manner and to comply with federal program guidelines, lender must ensure the below requirements and timeline are met as well as provide the list of documents below.

Requirements:

- Lender must verify that buyer contributes at least \$1,000 in personal liquid funds towards the purchase transaction. No cashback is allowed.
- Lender must communicate any adjustments in the transaction, forward any REPC addendums and notify in advance if there are any changes in the settlement date to ensure CDCU can accommodate on a best effort basis. Without prior notification, changes may cause delays.

Note: Disbursement of funds is contingent upon the property passing the visual assessment inspection. Agents/buyers will need to quickly address any issue listed on the report to avoid delaying the closing.

Documents: *(To be submitted after letter of commitment is provided)*

- Copy of the Appraisal Report
- Copy of the Preliminary Title Report
- Vesting/manner in which title will be held so CDCU can complete DPA closing documents
- Copy of the Closing Disclosure (CD) 3 days prior to closing showing the correct awarded amount and reflect "CDCU DPA program" as the source of funds provided
- Proof of Homeowner's Insurance reflecting CDCU as additional insured:
 No loan #
 Community Development Corporation of Utah
 501 E. 1700 S.
 Salt lake City, UT 84105

***Note:** Lender must be aware that **failure to provide** the required documents or missing any of the outlined details **will delay the process**. CDCU **cannot** accommodate any rushes due to **oversight** of the requirements.

Processing Time Summary:

The DPA process generally takes 25-30 days to complete. It's very important to submit a fully completed application as soon as possible once a buyer is under contract. Applications that are submitted without reasonable time to process will need to request an extension upfront. CDCU will not process rushes, no exceptions.

CDCU needs reasonable time to coordinate all the below processes:

- a. Application Eligibility & Underwriting Review (3-5 business days)
- b. Obtain City/County Environmental Clearance (Up to 1 week to complete)
- c. Send Letter of Commitment to buyer & Lead Based Paint Form-If applicable (1-2 days)
- d. Order Visual Assessment after receiving signed letter of commitment (1-2 weeks to complete)
- e. Review Appraisal/Title Report/Lender Affidavit (1-2 business days)
- f. Review Closing Disclosure, create DPA closing packet, and order funds (3 business days)

The Buyer will be receiving the following type of loan:

- FHA: Case # _____
- Utah Housing
- Conventional
- Other _____

Anticipated date of settlement: _____

Buyer's Title Company: _____

Escrow Officer: _____

Email of Escrow Officer: _____

Name of Lending Institution / Brokerage

Name of Lender's / Broker's Representative

Signature of Lender's / Broker's Representative

Title of Lender's / Broker's Representative



Agency Disclosure Statement Housing Counseling Consent Form

Mission

Community Development Corporation of Utah (CDCU) strengthens our communities by empowering all Utahns through access to affordable housing and financial security.

Non-discrimination

CDCU offers a variety of different programs and services to fulfill its mission. These programs and services are offered regardless of race, creed, color, ethnicity, national origin, religion, sex, sexual orientation, gender expression, age, physical or mental ability, veteran status, military obligations, and marital status. We administer services in conformity with local, state, and federal anti-discrimination laws, including the federal Fair Housing Act.

Services

CDCU provides the following HUD-approved programs and services in accordance with HUD guidelines:

- Financial Management/Budget Counseling
- Pre-purchase Counseling
- Mortgage Delinquency and Default Resolution Counseling
- Financial, Budgeting, and Credit Workshops
- Pre-purchase Homebuyer Education Workshops
- Home Improvement & Rehabilitation Counseling

CDCU also offers the following services:

- Owner-occupant Loan program
- Down Payment Assistance programs
- Home Sales programs
- Mortgage Lending Services
- Real Estate Representation

Funding Disclosure

CDCU is funded through a variety of sources, including congressionally appropriated funds through the Department of Housing and Urban Development (HUD), NeighborWorks' Project Reinvest: Financial Capability program, the United States Treasury, local municipalities, and banks, as well as other public and private organizations including foundations and individuals. CDCU currently receives financial compensation for clients that participate in Framework's online Homeownership Education course.

CDCU Code of Conduct

No CDCU employee, officer, director, contractor, volunteer, or agent shall undertake any action that might result in, or create the appearance of, administering services for personal or private gain, providing preferential treatment for any person or organization, or engaging in conduct that would compromise CDCU's compliance with federal regulations or our commitment to serving the best interests of our clients.

Utilization of Services

CDCU provides information about numerous loan products and housing programs, and may refer Client to other agencies for assistance. Client acknowledges that CDCU cannot guarantee Client's eligibility for any program and Client cannot expect to receive any assistance from any program until Client has been approved by the provider.

Implementation of any suggestions or information received, participation in programs, and utilization of services provided by CDCU or its partners is the Client's responsibility. Participation in any of CDCU's programs does not obligate Client to participate, receive, purchase or utilize any other services offered by CDCU or its partners or funders.

Client acknowledges that if CDCU provides housing and financial counseling/coaching services, Client will receive a written action plan consisting of recommendations for handling Client's financial and housing situation. Client understands that the quality of the action plan is dependent on the accuracy of the information that Client provides and that errors in factual information may seriously affect the projected outcomes discussed in counseling. Likewise, any change in Client's personal situation may significantly change the potential for success of the decisions Client makes pursuant to the action plan.

CDCU reserves the right to terminate services at any time if it is determined that Client does not qualify for the programs that CDCU offers, if Client's needs cannot be met by said programs, or if a respectful and professional relationship is not maintained. CDCU does not tolerate verbal abuse or harassment. Client may also terminate services at any time.

Indemnity

Client acknowledges that information received from CDCU about real estate, taxes, bankruptcy, foreclosure and other legal matters is only general information, not legal advice. In the event legal advice is needed or desired, Client agrees to consult an attorney or request a referral for legal assistance. Client agrees to indemnify and hold harmless CDCU and their subsidiaries, affiliates, successors, permitted assigns, officers, directors, agents, and employees from and against any and all damages, third party claims, demands, actions or causes of action, liabilities, expenses (including reasonable attorney's fees) arising out of any services, opportunities or information offered by CDCU, its partners and funders.

Release of Information

Client hereby grants permission for CDCU to share Client's personal information that may be reviewed by the U.S Department of Housing and Urban Development (HUD), Housing Partnership Network and/or NeighborWorks America Data Collection System and/or their agents for tracking or reporting purposes. Client also agrees, upon request, to provide follow-up information to CDCU for the purposes of program evaluation, monitoring, and compliance.

Acknowledgment

By signing below, Client acknowledges having received and read this Agency Disclosure Statement and Housing Counseling Consent Form and CDCU's Privacy Policy.

(Client Signature)

(Client Signature)

(Date)





Privacy Policy and Practices

We at Community Development Corporation of Utah (CDCU) value your trust and are committed to the responsible management, use, and protection of your personal information. This notice describes our policy regarding the collection and disclosure of personal information. "Personal Information" or "non-public personal information", as used in this notice, means information that identifies an individual personally and is not otherwise publicly available. It includes personal financial information such as credit history, income, social security number, and other specific information you have provided us.

Information We Collect

We collect non-public personal information, including:

- Information we receive from you verbally, or on applications or other forms
- Information about your transactions with us, our affiliates, or others
- Information we receive from consumer reporting agencies
- Information we receive from personal and employment references

Information We Disclose

We may disclose the following kinds of non-public personal information about you:

- Information we receive from you on applications or other forms, such as your name, address, social security number, employer, occupation, assets, debts, and income
- Information about your transactions with us, our affiliates, or others, such as parties to your transactions, your account balances, and your payment history
- Information we receive from consumer reporting agencies, such as your credit bureau reports, credit history, and credit worthiness

To Whom We Disclose Information

We may disclose some or all of your non-public personal information to the following types of nonaffiliated third parties to provide program services to you:

- Creditors or other third parties where we have determined that it would be helpful to you or would aid us in counseling or otherwise assisting you
- Others (such as non-profit organizations or funding partners that make our services possible) as required for the purpose of review, auditing, research, and oversight
- We may also disclose personal information about you to anyone as permitted or required by law.

You have the opportunity to "opt-out" of certain disclosures (direct us to not make those disclosures) by informing CDCU of your decision in writing.

Confidentiality and Security

Within the organization, we restrict access to non-public, personal information about you to those employees who need to know that information to provide services to you and to help them do their jobs, including financial or housing counseling, loan underwriting, loan servicing, or aiding you in obtaining a loan from others. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to protect your nonpublic personal information. We do not share non-public personal information with any non-affiliated third parties for the purpose of making sales calls or marketing products or services to you.

Emails and Updates

Please initial if you would NOT like us to contact you by email with updates and information about services that we feel may interest you _____

By signing below, you acknowledge that you have received and read this disclosure notice.

(Client Signature)

(Client Signature)

(Date)



Maintenance Policy

1. **CONDITION:** The Homeowner shall maintain the property in good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, rules and regulations of any governmental authority with jurisdiction over matters concerning the condition of the property. The property must meet these minimum housing standards:
 - a. No pest report findings
 - b. No obvious signs of dry rot or mildew
 - c. Functioning roof without obvious signs of deterioration
 - d. Gutters direct water away from house
 - e. Siding and trim in good condition
 - f. Exterior paint in acceptable condition
 - g. Foundation walls in good condition
 - h. Crawl space or basement is dry, with no water penetration and with appropriate vapor barrier
 - i. Decking/stoops with safety rails if required by code
 - j. All windows and doors in functioning condition; operable windows have screens
 - k. Functioning hot water heater
 - l. Functioning interior heating system
 - m. Functioning and properly grounded electrical system and fixtures
 - n. Plumbing system and fixtures in working order without obvious damage
 - o. Floor coverings do not have holes, tears or missing sections
 - p. Landscaping in neat and healthy condition
 - q. Yards well-kept and free of debris; no code violations, including improper storage of household items, improper disposal of rubbish, or illegally parked cars on property
 - r. Routine maintenance of systems and appliances performed (i.e. changing filters, etc.)
2. **COST OF MAINTENANCE.** The costs required to maintain these minimum housing standards is the responsibility of the Homeowner. The Homeowner shall not permit any mechanics' liens to be recorded against the Property.

By signing below, you agree to maintain the Property in accordance with this policy.

Homebuyer Signature

Homebuyer Signature

Printed Name

Printed Name

CERTIFICATION OF ZERO INCOME

PLEASE SUBMIT ONE FORM PER ANY NON WORKING ADULT HOUSEHOLD MEMBER

Household Name: _____

Purchase Property Address: _____

The program for which your household is applying is funded in part by one or more of the following sources: CDBG and HOME funds. Community Development Corporation of Utah is required to verify ALL income of ALL adult household members (18 years or older) receiving assistance, or applying for assistance under these programs. To comply with this requirement, you are required to supply the information requested in the certification below. This information will be held in strict confidence and used only for the eligibility of your household for this program.

1. I hereby certify that I do not individually receive income from any of the following sources:

- a) Wages from employment (including commissions, tips, bonuses, fees, etc.)
- b) Income from operation of a business
- c) Rental income from real or personal property
- d) Interest or dividends from assets
- e) Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits
- f) Unemployment or disability payments
- g) Public assistance payments
- h) Periodic allowances such as alimony, child support, or gifts received from persons not living in my household
- i) Sales from self-employed resources (Avon, Mary Kay, etc.)
- j) Funds from other source(s) not named above (list below): _____

2. Check (A) or (B) as applicable:

- A. I have no income of any kind at this point in time and do not anticipate income from any source within the next 12 months.
- B. I am not presently employed, but anticipate becoming employed within the next 12 months.

Based upon my educational background, skills, and past work experience, and with adjustments to reflect circumstances anticipated within the next year, I anticipate earning: \$ _____ over the next 12 months. In support of this estimate, I have submitted:

- Most recent year's tax return
- Previous job and salary history
- Other supporting documentation: _____

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understands that providing false representations herein constitutes an act of fraud.

(Client Signature)

(Printed Name)

(Date)

