



City of Pharr
Home Buyer Assistance (HBA)
PROGRAM APPLICATION PACKAGE
To be completed and submitted by Lender

Please submit HBA prescreening and supporting documentation via:

Mail

City of Pharr, Texas
Grants Management
& Community Development
P.O. Box 1129
Pharr, Texas 78577

In-person

Pharr City Hall
118 S. Cage Blvd. Fl 4
Pharr, Texas

Or

Email at:

mario.palomo@pharr-tx.gov

For more information please call (956) 402-4190 or visit <http://pharr-tx.gov/>

Thank you for your interest in the Home Buyer Assistance (HBA) Program offered by the City of Pharr. Program restrictions apply and assistance is subject to funding availability. Complete HBA application packages are accepted on a first-come, first-served basis.

The City of Pharr is committed to compliance with the Americans with Disabilities Act (ADA and Section 504 of the Rehabilitation Act of 1973), as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call 402-4190 for assistance. For a sign language interpreter, please call GMCD at (956) 402-4190 Ext. 1603 at least 7 days in advance

The City of Pharr does not discriminate on the basis of disability in the admission or access to or treatment or employment in their programs and activities. Santiago Salinas, Jr. has been designated as the City's section 504/ADA Coordinator. His office is located at 118 S. Cage Blvd., Pharr Texas 78577.



PROGRAM DESCRIPTION

SEE PROGRAM GUIDELINES FOR MORE IN DEPTH INFORMATION

Purpose:	The Home Buyer Assistance (HBA) Program provides eligible first-time homebuyers with a 0%-interest (0% APR) loan to assist with eligible down payment and closing costs.																		
Submitting Applications:	Only HBA Participating Lenders who have attended the Lender Training may submit application packages. Packages will be processed only when they are 100% complete according to the Lender and Applicant Checklists. Complete application packages are accepted and processed on a first-come, first-served basis and are subject to funding availability.																		
Participants, Income & Assets:	<p>Applicants must be first-time homebuyers who are citizens or legal permanent residents. Households may earn no more than 80% of the McAllen-Edinburg-Mission Area Median Family Income (adjusted for household size), as published annually by the U.S. Department of Housing and Urban Development (HUD). Asset limits apply.</p> <p style="text-align: center;"><i>HOME Income Limits Effective June 6, 2016</i></p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> </tr> </thead> <tbody> <tr> <td>Maximum Income</td> <td>\$29,350</td> <td>\$33,550</td> <td>\$37,750</td> <td>\$41,900</td> <td>\$45,300</td> <td>\$48,650</td> <td>\$52,000</td> <td>\$55,350</td> </tr> </tbody> </table> <p>**NOTE: “The Household Size, Income and Assets” includes ALL persons (related and unrelated) residing with the applicant at the time of application and/or those who will reside with the applicant upon the purchase of the new or existing home.</p>		1	2	3	4	5	6	7	8	Maximum Income	\$29,350	\$33,550	\$37,750	\$41,900	\$45,300	\$48,650	\$52,000	\$55,350
	1	2	3	4	5	6	7	8											
Maximum Income	\$29,350	\$33,550	\$37,750	\$41,900	\$45,300	\$48,650	\$52,000	\$55,350											
Eligible Properties:	Must be the borrower’s primary residence. Single Family homes, town homes or condos are eligible; duplexes are ineligible. Any new construction must meet HQS inspections TMCS standards. Properties must be located within the Full Purpose Jurisdiction of Pharr city limits; Extra Territorial Jurisdiction are ineligible.																		
Financing:	First lien loan must be a fully amortized, fixed-rate loan for 30 years. Interest rate may not exceed 8% .																		
Sales Price:	Not to exceed 95% of area median existing purchase price of \$142,000 for existing single family housing and \$228,000 purchase price for new single family housing as determined using data from the Federal Housing Administrations (FHA) for McAllen-Mission-Edinburg Area.																		
OTHER:	No “principal reduction” or cash back is allowed at closing.																		



PROGRAM DESCRIPTION

SEE PROGRAM GUIDELINES FOR MORE IN DEPTH INFORMATION

HBA Loan Options:	Up to \$5,760, 0% interest (0% APR), deferred, forgivable loan, second lien position.
HBA Loan Amounts:	A minimum of \$1,000 up to \$5,760 of assistance for eligible closing costs, pre- paid expenses, and down payment. The eligible loan amount is based on the borrower’s demonstrated financial gap.
Debt to Income Ratio:	Total combined debt ratio cannot exceed 45.00%
Repayment:	The loan will be due and payable upon early sale, refinancing, home equity loan, vacating, lease or transfer of title before the 5 year maturity date. Otherwise, the loan is forgiven after 5 years.
Property Age Limit:	None.
Appraised Property Value:	The estimated value of the property must not exceed 95 percent of the median area purchase price, described in 24 CFR 92.254 (a) (2) (iii).

Updated 5/24/2016. **Subject to funding availability. Other restrictions may apply.**

For more information, please contact the City of Pharr, Texas at (956) 402-4190



APPLICATION PACKAGE CHECKLIST

Home Buyer Assistance (HBA)

Documents Provided by Lender

*Complete HBA application packages include all the items listed under both the “Checklist for Lenders” **AND** the “Checklist for Applicants.” Only Lenders who have attended the Lender Training and approved Borrowers with an Approved Lender may submit application packages. Only 100% complete HBA application packages will be accepted for processing.*

- Original HBA Application**, signed by applicant(s)
- Original Affidavit**, completed and signed by applicant(s)
- Original Request for HQS Inspection and Agreement**, completed and signed by applicant(s)
- HBA Buyer/Seller Certification of Purchase**, signed by both parties
- Lender’s INITIAL Uniform Loan Application**, signed by applicant(s) and lender

- Complete Credit Report**
- Letter of Explanation and complete paper trail** (canceled checks, lease agreement, loan repayment documents, gift documents, etc.) for all non-payroll related deposits into bank accounts
- Initial Good Faith Estimate (GFE), Initial Fee Worksheet & Intent to proceed**, signed by applicant(s) and lender
- Initial Lender’s Truth-In-Lending Statement**, signed by applicant(s)

- “As Is” Property Appraisal** (all pages) including a copy of unexpired Appraiser license
- Evidence of Underwriter Loan Approval (all calculations should match):**
 - Final Automated Underwriting Findings
 - Signed Underwriting Action Sheet/Conditional Approval Checklist
 - 1008 Loan Transmittal/ Analysis and Mortgage Credit Analysis Worksheet
 - (MCAW) Underwriter signed page 3 & 4 of the Final HUD-92900-A Form
 - Borrower & lender signed Interest Rate Lock Agreement
 - Unexpired Lock Confirmation

- Participating Lender Agreement** – Loan Officer name and Company Name should match this application
- Title Company accepted Survey**
- Complete copy of Preliminary Title Commitment** reflecting the City of Pharr as Second Lien Lender

- Complete copy of Tax certificates** reflecting figures that fall in line with Principal + Interest + Taxes + Insurance (PITI) calculations on final Underwriting Documents

- Evidence of Hazard Insurance Coverage** (and flood if applicable) with the following mortgagee clause:
- Copy of Executed/Received Sales Contract**, signed by both parties
- Proof of Earnest Money Contribution**
- Summary Sheet with MFI, DTI, LTV, PITI, income and asset amounts**
- Real Estate Contract**
- Lead-based Paint Disclosure**, (completed) and executed by borrower(s) receipt of “Protect Your Family from Lead in Your Home” pamphlet (only for homes built before 1978); (Standard HBA only)
- Homebuyer Education Certificate**



PROGAM CHECKLIST

Home Buyer Assistance (HBA)

Documents Provided by Applicant

- | | |
|--|---|
| <input type="checkbox"/> Application (original) completed & signed | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Social Security card(s) for applicant(s) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Permanent Residency Card(s) (front & back) (if applicable) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Picture Identification for applicant(s)
Texas Driver's license, Texas Permanent ID Card, or Passport | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Last 2 consecutive month's paycheck stubs from all household members, 18+ years old | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Last quarter's Profit & Loss Statement & two years Tax Returns (if self-employed) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Most Recent 2 Years W-2 Forms or 1099's | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Most Recent 2 Years Federal Tax Returns , complete with all schedules | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Verification of other income (Check all that apply) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Social Security Award Letter
<input type="checkbox"/> Disability Award Letter
<input type="checkbox"/> Death Benefits
<input type="checkbox"/> Unemployment
<input type="checkbox"/> Royalties
<input type="checkbox"/> Insurance Payments | <input type="checkbox"/> Child Support or Spousal Support/Alimony
<input type="checkbox"/> Worker's Compensation and Severance Pay
<input type="checkbox"/> Annuity, Retirement, or Pension Payments
<input type="checkbox"/> Trust Income
<input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> For all Household members: The most recent six(6) months statements for All Checking and Savings Accounts | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Verification of Assets for all household members (Check all that apply) | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Certificates of Deposit (CD)
<input type="checkbox"/> Money Market Account
<input type="checkbox"/> Mutual Funds or Bonds
<input type="checkbox"/> Lottery winnings
<input type="checkbox"/> Capital gains
<input type="checkbox"/> Inheritances | <input type="checkbox"/> Retirement Savings (ex. IRA, 401K, 403B, Keogh)
<input type="checkbox"/> Pension <input type="checkbox"/> Annuity
<input type="checkbox"/> Life Insurance (Whole Life or Universal)
<input type="checkbox"/> Victim's restitution Insurance Settlements
<input type="checkbox"/> Real Estate (Other than Primary Residence)
<input type="checkbox"/> Others: _____ |



City of Pharr
Home Buyer Assistance Program Application
To be completed by applicant in applicant's handwriting
(Original forms must be submitted)



Section 1 – Applicant Information

Name: _____
Last First Middle Initial

Current Address: _____

City: _____ State: _____ Zip: _____

Mailing Address (if different): _____

City: _____ State: _____ Zip: _____

Work Phone: _____ Home Phone: _____ Cell Phone: _____

E-mail _____ Gender: Male Female

Marital Status: Single Married Widowed Divorced

Are you a: U.S. Citizen Permanent Resident Alien: Alien number A: _____

Other: _____

Alternate Contact Name, Phone Number and Email _____

How did you hear about the Program? _____

Section 2 – Co-Applicant Information

N/A

Name: _____
Last First Middle Initial

Work Phone: _____ Cell Phone: _____

E-mail _____ Gender: Male Female

Marital Status: Single Married Widowed Divorced

Are you a: U.S. Citizen Permanent Resident Alien: Alien number A: _____

Other: _____

Alternate Contact Name, Phone Number and Email _____

Section 3 – Employment and Income History

Applicant's Employer _____	Occupation _____
Estimated Gross Monthly Income \$ _____	Number of Years with Employer _____
Co-Applicant's Employer _____	Occupation _____
Estimated Gross Monthly Income \$ _____	Number of Years with Employer _____

Section 4 – Household Members

List all persons (children and adults) living in the home, along with their gross income. By signing in Section 8, you certify, that you are the owner(s) and/or occupant(s) of the property (identified in Section 1) and that the current gross monthly and annual income of all persons living in the home (related and unrelated) have been listed below. *(Attach additional page(s) if needed)*

Total number of persons living in the household: _____

Name	Relationship	Date of Birth	Age	Gross Income/ Pay Period
(Applicant)	Self			
(Co-Applicant)				

<u>Ethnic Categories (select one)</u>	
<input type="checkbox"/> Hispanic or Latino	<input type="checkbox"/> Not-Hispanic or Latino
<u>Racial Categories (select all that apply)</u>	
<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Black or African American
	<input type="checkbox"/> White
	<input type="checkbox"/> Multi



City of Pharr
Home Buyer Assistance Program Application
Sections 5 through 8 to be completed by Lendor



Section 5 – Property Information (completed by lender)

Applicant Name: _____
Last First Middle Initial

Co-Applicant's Name: _____

Subject Property Address _____

City State Zip

Type of property: Single Family home Condominium Town home

New Construction Existing Construction (pre-owned) Year Built: _____

Purchase Price of the Property \$ _____

Section 6 – First Lien Information

Type of loan FHA Conventional Veterans Administration

Interest Rate _____ % Lock Expiration Date: _____ Fixed Rate for 30 years Estimated Closing Date _____

Section 7 – Lender and Title Company Information

The following people have assisted with this application, and will assist with the closing:

Mortgage Company _____

Loan Officer _____ Email _____ Phone _____

Loan Processor: _____ Email _____ Phone _____

Address _____

Title Company _____

Closing _____ Officer _____

Address _____

Work Phone _____ Fax _____

Email _____



Section 8 – Real Estate Company Information

Real Estate Agent to be contacted to schedule the HQS Inspection:	
Real Estate Company _____	
Real Estate Agent _____	
Address _____	
Work Phone _____	Cell Phone _____
Email _____	

Section 9 – Applicant(s) Signatures

By signing this application you swear under penalty of perjury that the information provided is true and correct to the best of your knowledge and belief. You understand that any omissions or discrepancies found at any time may disqualify you from the program(s) and also may require your immediate repayment of any funds spent. You authorize NHCD or AHFC and/or its designated agents to contact any source to solicit and/or verify what is necessary for an eligibility or creditworthiness determination.

_____ Signature of Applicant/Guardian	_____ Date
_____ Signature of Co-Applicant	_____ Date

WARNING: 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.

AFFIDAVIT

I (We) hereby submit the attached Application, Uniform Residential Loan Application, tax returns, and other furnished documents to be considered for the City of Pharr's *Home Buyer Assistance Program*. Under penalty of law, I certify the home being purchased is located at:

_____, Pharr, Texas, Zip _____.

The information contained in the submission of the required program-related documents is true and correct. I further certify that:

1. Neither I or the Co-Applicant have owned a home in the last three years
2. I (we) am a U.S. citizen or I (we) have legal permanent resident status
3. The house I (we) am purchasing will be my (our) primary place of residence
4. The house I (we) am purchasing is located within the Pharr City limits
5. The following is a list of **all persons (related and unrelated)**, including myself, who will occupy the home after closing:

Name	Age	Relationship	Gross Mo. Income
		SELF	\$
			\$
			\$
			\$
			\$
TOTAL			\$

I (we) understand that:

1. "HBA" is from \$1,000 up to \$5,760 in a 0% (0% APR) interest, deferred, forgivable loan and is in a second lien position. See Program Guidelines for more detailed information. The HBA loan amount is based on the borrower's demonstrated financial gap.
2. The HBA loan will be due and payable upon early sale, refinancing, home equity loan, lease or transfer of title before the affordability period of 5 years.
3. Households may earn no more than 80% median family income for Pharr (McAllen-Mission-Edinburg Area)
4. HBA funds will be for: eligible closing costs and pre-paid expenses identified in a signed Good Faith Estimate and reflected in the final HUD1 Settlement statement; and a down payment amount calculated according to the borrower's demonstrated financial gap.
5. The first lien mortgage loan must be a fully amortized, fixed-rate loan of up to 30 years, with an interest rate that does not exceed the prevailing market rates for conforming loans.
6. The HBA second mortgage when combined with the first may not exceed the estimated value of the property including all closing costs.
7. A homebuyer education class must be completed before closing.

_____ Date _____ Date
 Applicant (original signature) Co-Applicant/ (NPS) (original signature)



AFFIDAVIT (continued)

I (we) agree to release whatever information the State Attorney General determines to be publicly available. I (we) agree to allow the City and/or its designee, financial institutions, and other appropriate institutions to share information contained in this file for the purpose of Home Buyer Assistance eligibility and related business. I (we) understand that any discrepancy or omissions later found may disqualify me (us). If such a discrepancy or omission is discovered after closing, I (we) understand that any financial assistance provided by the City of Pharr may immediately become due and payable.

I (we) read, completed, and executed this Affidavit in connection with the HBA application.

Applicant (original signature)

Date

Co-Applicant (original signature)

Date

Ethnicity:

- Hispanic or Latino
 Not Hispanic or Latino

Race/National Origin:

- Alaskan Native or American Indian
 Native Hawaiian or Other Pacific Islander
 White
 Asian
 Black or African American
 Multi _____

Gender:

- Female
 Male

Has a Disability:

- No
 Yes (complete the Verification of Disability form)

Ethnicity:

- Hispanic or Latino
 Not Hispanic or Latino

Race/National Origin:

- Alaskan Native or American Indian
 Native Hawaiian or Other Pacific Islander
 White
 Asian
 Black or African American
 Multi _____

Gender:

- Female
 Male

Has a Disability:

- No
 Yes (complete the Verification of Disability form)

STATE OF TEXAS
COUNTY OF HIDALGO

This instrument was acknowledged before me on the _____ day of _____, 20____, by

_____.

Notary Public, State of Texas

My commission expires: _____.



HOUSING QUALITY STANDARDS/VISITABILITY EXISTING HOME INSPECTION AGREEMENT

We/I, _____, as an applicant(s) to City of Pharr's "Home Buyer Assistance" (HBA) Program hereby agree to and understand the following:

- A Housing Quality Standards (HQS) Inspection defined by the U.S. Department of Housing and Urban Development (HUD) is required of each existing home purchased under the DPA Program. This inspection will be performed by a HQS-certified Inspector.
- This inspection is a requirement of HUD and in **no way** should serve in lieu of a structural inspection of the property. City of Pharr encourages the Buyer/Purchaser to obtain a separate inspection or report that addresses the structural integrity of the property.
- I (we) understand that **all utilities must be ON** for the inspection to occur.
- I (we) understand that all repairs identified as necessary through the HQS Inspection must be completed before the date of closing, as a condition of participation in the DPA Program. The repairs may be undertaken through agreements with the Seller, or through other means determined to be acceptable in consultation with NHCD. Follow up inspections will be required to assure that necessary repairs identified in the initial HQS inspection are completed satisfactorily.
- If lead-based paint hazards are found at the time of the HQS inspection, a certified contractor will have to follow HUD's safe work practice methods.

Subject Property: _____

Applicant Signature

Date

Co-Applicant/NPS Signature

Date

Seller Signature

Date

Seller Signature

Date

**** ALL DOCUMENTS WITH ORIGINAL SIGNATURES MUST BE SUBMITTED PRIOR TO APPROVAL ****



BUYERS/SELLERS CERTIFICATION OF PURCHASE

Date: _____

Property Being Sold: _____

Owner(s)/Seller(s): _____

Buyer(s): _____

Dear Owner(s)/Seller(s):

The property referenced above is believed to be owned by you is being considered for purchase. Because Federal funds, in the form of down payment and closing cost assistance to the Buyer(s), may be used in the purchase of your property, we are required to disclose the following information by the U. S. Department of Housing and Urban Development (HUD) in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA), Section 24.101(b) (2):

1. The proposed sale is **voluntary**. In the event negotiations fail to result in an agreement, the property will not be acquired by either voluntary purchase or eminent domain.
2. The fair market value of the property is estimated to be \$_____. However, since this transaction is voluntary, current or future negotiations may result in a different price that may be the same, higher or lower than this amount.

An owner-occupant who sells his or her property under these terms does not qualify as a displaced person for relocation payments. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer(s) and the Seller(s), the Seller(s) must be provided the opportunity to withdraw from the agreement.

Any title deficiencies, liens, or encumbrances on the property must be cleared **prior to** any closing. Generally, this is a cost that is borne by the Seller(s) of the property; however, payment of these costs may be negotiated between the Buyer(s) and Seller(s). **No federal funds can be used to pay these costs.**

Should you have any questions, please feel free to contact Lender at telephone number provided.

**** ONLY APPLICATIONS WITH ORIGINAL SIGNATURES WILL BE ACCEPTED****

Buyer(s) Date

Buyer(s) Date

Seller(s) Date

Seller(s) Date

WARNING: 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.

