

Section II. LHAP HOUSING STRATEGIES:

A. Home Ownership Purchase Assistance:

1. Summary

Home Ownership Purchase Assistance provides down payment and closing cost assistance to qualified households to purchase new or existing single family or condominium homes. All homes purchased must be the primary residency of the recipient and cannot be used as a rental unit.

Homes purchased in this strategy may be purchased utilizing the mortgage revenue bond programs approved by Florida Housing Finance Corporation or provided by Charlotte County Housing Finance Authority if these programs also conform to these guidelines.

2. State Fiscal Years Covered

2014-2015, 2015-2016, 2016-2017

3. Income Category Served

Very low, low, and moderate incomes will be served by this strategy. However, priority will be given to very-low and low-income families. Moderate income households may be served if adequate funds are available.

4. Maximum award

The maximum award and level of funding for this strategy and each fiscal year is specified on the Housing Delivery Goals Charts attached, which are herein adopted as part of the Plan.

5. Terms, Recapture and Default Provision

SHIP assistance is provided in the form of a deferred loan with 0% interest. The terms of the loans are as follows:

Loan Range: \$0 to \$5,000.00	Five year term, Forgivable at the end of the fifth year
\$5,001.00 to \$150,000.00	Ten year term 25% loan reduction starting with the 7 th year
\$150,001.00 to Maximum	Fifteen year term 25% loan reduction starting with the 12th year

Additional terms contained in the mortgage render the loan due and payable as program income if the home is no longer used as the primary residence of the applicant, is used as rental housing, or is sold. The SHIP mortgage can be subordinated upon a refinance of the primary loan only if the refinance is for a better interest rate with no cash out or bills being paid. Refinances with cash out, including reverse mortgages, or bills paid require full repayment as program income at time of refinance. In the event of the death of the one or more of the recipients, possession by an estate or an heir or heirs would cause the full payment of the lien.

6. Recipient Selection Criteria

Selection will be on a first come and first qualified basis, following receipt of an application, income qualification, attendance and completion of an approved home ownership training program, first mortgage approval, and a purchase contract for a home.

7. Sponsor selection criteria, if applicable

Qualified non-profit organizations must be established under the laws of the State of Florida, and in receipt of a letter from the Internal Revenue Service indicating that the organization is recognized as tax exempt, pursuant to Section 501(c)(3) of the Internal Revenue Code. The organization must be established for the purpose of providing housing services, and it must have been operating in Charlotte County for a reasonable time with paid staff and demonstrate professional capability and proficiency. Organizations must have internet capabilities at the time the selection of an organization to administer the SHIP program.

8. Additional Information

Not applicable