CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM

HOMEBUYER APPLICATION

PLEASE ALLOW UP TO <u>10 BUSINESS DAYS</u>
FOR REVIEW

HOMEBUYER APPLICATION INSTRUCTIONS

1.	Fill out the application completely for all adults and children who are anticipated to live in the home. Unrelated applicants must show at least one full year of joint residency.
2.	All adult household members must have at least one-full year of verifiable income and Federal tax payment history in the United States at the time of application. **Self-employed individuals** must provide at least **one continuous year of verifiable personal and business income.**
3.	Gross income (before taxes and deductions) must be disclosed for all household members. Income includes any money received from any source, such as wages, interest, dividends, distributions, annuities, pensions, child support, alimony, etc.
4.	Changes in employment may not have occurred within four months of application (such as a job change, termination, or decrease in salary).
5.	Adult household members with no income must be a spouse or dependent of the applicant.
6.	Separated applicants (not yet divorced) must have verifiable evidence of at least one full year of complete financial and residential separation.
7.	Applicants with joint custody of children must verify at least 50% custody rights for a child to be considered part of the household.
8.	Applicants may not own other residential property, including mobile home property, unless such property will be sold prior to or in conjunction with the purchase of an affordable unit.
9.	First time homebuyers are required to pay a minimum down payment of 5% of the purchase price. Homebuyers who have owned residential property within three years are required to pay a minimum down payment of 10% of the purchase price.
10.	The City does not impose a cap on the amount of gift funds. However, gift funds are included in calculation of household assets and defined in down payment cap.
11.	The total value of liquid assets owned by an applicant cannot exceed one-half of the purchase price of the affordable home (assets do not include pension or retirement funds).
12.	Household income may not exceed the maximum income limit as stipulated for each Inclusionary Housing Program project (low, median, or moderate income).
13.	Household income cannot be less than the minimum amount required to pay the cost of owning a home. This amount is equal to twice the annual homeownership cost, which includes mortgage, insurance, taxes, maintenance, and homeowner association dues.
14.	Applicants must use conventional mortgage financing. Interest-only and stated-income loans are not allowed.
15.	Applicant households must be compatible with the size of the unit to be purchased. No more than two persons per bedroom will be allowed.
16.	Applicants must certify that they will reside in the affordable unit as their primary residence.
17.	Applicants must have the right to permanently reside in the United States.
18.	The City of Huntington Beach reserves the right to request any documents and/or information needed to verify program eligibility. It is the applicant's responsibility to demonstrate eligibility to purchase an Inclusionary Housing Program home. Applicants unable to provide satisfactory evidence of income, assets, or other qualifying criteria will not be considered.

CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
HOMEBUYER ELIGIBILITY APPLICATION

This application must be completed, attached with all applicable required documents, signed by all applicants and submitted to the Housing Division. Applicants should complete this form as "Applicant" or "Co-applicant" as applicable. Co-applicant information must be provided for all adult household members and/or individuals to be designated on the property title. In such cases, Co-Applicant income and credit history will be used as a basis for eligibility qualification.

1. PROPERTY INFORMATION

Address of Property to be Purchased	Project / Neighborhood Name

2. APPLICANT / HOUSEHOLD INFORMATION

Name of Applicant		Name of Co-Applicant	
Marital Status	Date of Birth	Marital Status	Date of Birth
Social Security #	Driver License #	Social Security #	Driver License #
Employment Status	# Years at Current Address	Employment Status	# Years at Current Address
Current Address ____Own ____ Rent		Current Address ____Own ____ Rent	
Home / Work / Cell Phone/FAX #	Email Address	Home / Work / Cell Phone/FAX #	Email Address

If residing at current address for less than two years, complete the following:

Prior Address ____Own ____ Rent	Prior Address ____Own ____ Rent

List all additional adults and children anticipated to live in the home. Use additional pages if necessary.

1	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	
2	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	

3	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	
4	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	

List full names of all persons that will appear on the title of the home:

	Name	Relationship
1		
2		

3. HOUSEHOLD INCOME

List **gross monthly income** (before taxes and deductions) from all sources for all adult household members expected to live in the home. Consider the following as income: any money regularly received from any source. Use additional pages if necessary.

	Name	Name	Name
Employer Name Address Phone			
Position / Title			
Number of Years at this Job			
Base Employment Income			
Overtime / Bonuses / Commissions			
Dividends / Interest from Investments			
Pension / Social Security			
Child Support / Alimony			
Other (please describe)			
Total Monthly Income (add the Monthly Income Subtotal for all adult household members)			
Total Annual Household Income (Total Monthly Income x 12)			

Minimum Monthly Income Calculation

Add the following monthly Housing costs (from loan application, realtor, or mortgage lender/broker):

Mortgage Payment	_____
Property Tax Payment	_____
Homeowner Association Dues	_____
Other Housing Costs (insurance, maintenance, utilities)	256 (3-bdrm)
TOTAL	_____

(Total monthly housing costs cannot exceed 1/2 of mo. household income)

Maximum Income (2012 Income Limits)

Household Income cannot exceed the limit below for the appropriate income level and household size:

Household Size	Low Income Limit	Median Income Limit	Moderate Income Limit
1	$53,950	$59,700	$71,650
2	$61,650	$68,250	$81,900
3	$69,350	$76,750	$92,100
4	$77,050	$85,300	$102,350
5	$83,250	$92,100	$110,550

4. HOUSEHOLD ASSETS

List checking, savings, and other investment accounts below for all adult household members. Use Addition pages if necessary.

Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance
Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance
Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance

Real Estate Owned

Address	Market Value of Property		Outstanding Mortgages/Liens		Owner Equity
_____	( )	–	( )	=	( )

Cash Value of Retirement Accounts & Pension Funds	Cash Value of Other Assets

Total Value of Assets (Including Real Estate Equity)	

5. HOUSEHOLD LIABILITIES

List outstanding liabilities <u>for all adult household members,</u> including auto loans, revolving charge accounts, real estate loans, alimony, child support, etc. Use additional pages if necessary.

Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance

Total Balance of Liabilities (add the Unpaid Balances of all Liabilities)	

6. PURCHASE INFORMATION

Name of Real Estate Agent	Agent's Company Name & Address	Telephone & Fax
Name of Mortgage Lender/Broker Agent	Lender/Broker Company Name & Address	Telephone & Fax
TOTAL Purchase Price of Property *(including all associated costs)* $_____ **Initials *(see note below)*** _____	Mortgage Amount(s) 1st: _____ 2nd: _____	Mortgage Terms

***Note:** All adult household members must initial next to the Total Purchase Price of Property above, acknowledging that the price of the property is restricted under the City of Huntington Beach Affordable Housing Program. By initialing this price, you indicate your understanding and agreement that no payment will be made separate from this price and/or separate from the attached Residential Purchase Agreement by you or by anyone on your behalf.

7. SOURCES OF FUNDS FOR DOWN PAYMENT & CLOSING COSTS

List all funds intended to be used from bank accounts, Certificates of Deposit, mutual funds, and other sources for meeting down payment and closing costs needs:

	Source of Funds	Amount to be Used for Down Payment
1		
2		
3		

8. ADDITIONAL INFORMATION

Does any household member have any ownership interest in Real Estate?	☐ Yes	☐ No	If yes, provide list of properties owned.
Will the Inclusionary Housing Program Unit be your permanent residence?	☐ Yes	☐ No	If no, attach explanation.
Do all household members have the right to permanently reside in the US?	☐ Yes	☐ No	If no, attach explanation.
Have any household members terminated employment in past 4 months?	☐ Yes	☐ No	If yes, attach explanation.

9. REQUIRED DOCUMENTS

1.	Copy of California driver license or identification for all adult household members; copy of birth certificate for all dependents.
2.	Copy of Residential Purchase Agreement and Real Estate Transfer Disclosure Statement (with City-required affordable housing program disclosure language) signed by both the buyer and seller (required language on page 11).
3.	Completed and signed City forms: (a) Certificate of Purchaser, (b) Special Disclosure, and (c) Background and Financial Investigation Authorization.
4.	Copy of complete loan packet from mortgage lender (stated income and interest only loans are not allowed). The loan packet must include the fully completed, typed and signed application, loan underwriting analysis, Truth-In-Lending Disclosure, income and asset verification, and conditions for final loan approval.
5.	Copy of **3 most recent months** of checking, savings, and other investment account statements for all adult household members. If self-employed, 12 months of personal and business account statements are required. Account statements must demonstrate sufficient funds for down payment.
6.	Copy of **3 most recent months** of pay stubs. Pay stubs must clearly identify business name, employee name, salary rate, hours worked, pay period, gross income, and year to date income.
7.	Signed copies of 2 most recent years of federal tax returns (with all schedules and attachments), including W2s & 1099s for all adult household members; if self employed, include 4 most recent quarterly tax filings.
8.	If applicable: copy of divorce decree evidencing dissolution of marriage, child custody, child support, and/or alimony.
9.	If applicable: copy of pension statement, Social Security verification, welfare verification, or other income verification.
10.	If applicable, school registration documents for adult, full-time student household members.
11.	If applicable, evidence of sale of real estate. Sale of any residential real estate must be completed before final approval can be given for purchase of Inclusionary Housing Program unit.

CERTIFICATION: I/We certify that the information provided in this Inclusionary Housing Program Eligibility Application is true and correct as of the date set forth opposite my/our signature(s) and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to fine or imprisonment or both and liability for monetary damages to the City, its agents, insurers, and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Applicant's Signature	Date	Co-Applicant's Signature	Date
X		**X**	

Please Note: Before submitting your application to the City, check carefully to make sure you have neatly and completely filled out the application and attached all required documents. Illegible or incomplete applications will not be accepted.

CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
BACKGROUND & FINANCIAL INVESTIGATION AUTHORIZATION

THIS FORM MUST BE SIGNED BY ALL ADULT HOUSEHOLD MEMBERS

By signing below, you provide irrevocable consent to the City of Huntington Beach for a background investigation and review of your financial affairs, budget, outstanding accounts, obligations, and debt. You understand that information obtained by the City may be governed by the Fair Credit Reporting Act (15 USC 181 ET Seq.) as it may be amended from time to time. Credit information will be obtained for affordable housing program eligibility review purposes only, and not for credit granting purposes or credit repair. All adult household members must sign this consent, attesting that you are the true and correct individual described below. Use additional pages if necessary.

Full Legal Name (First, Middle, Last)	
Other names used in last 7 years	
Date of Birth	Social Security #
Current Address	
Prior addresses in last 7 years	
Signature	Date

Full Legal Name (First, Middle, Last)	
Other names used in last 7 years	
Date of Birth	Social Security #
Current Address	
Prior addresses in last 7 years	
Signature	Date

CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
CERTIFICATE OF PURCHASER

Applicant(s) _____

Property Address _____

The undersigned ("Applicant/Purchaser") hereby certify(ies) the following:

1. Purchaser is buying the residence ("Home" or the "Property) shown above with the intent to occupy the Home as the Purchaser's primary residence, and with the understanding that the Home cannot be rented or leased.

2. The purchase price of the Home is $_____.

3. Purchaser's combined household **gross annual income** from all sources is $_____.

4. The number of persons that will occupy the Home is _____.

5. Purchaser has read the Special Disclosure form attached hereto and understands the information contained therein.

6. Purchaser acknowledges and understands that a Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") is recorded on the Property and that the restrictions contained therein, including restrictions relating to the transfer and use of the Property, will remain on the Property and be applicable to any future resale of the Property so long as the Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") remain in effect.

Purchaser acknowledges that this certificate is being provided to the Economic Development Department of the City of Huntington Beach ("the City"), and that the City may rely on the statements made herein.

All persons taking title to the Home must sign this certificate.

Applicant	Co-Applicant
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
SPECIAL DISCLOSURE

Applicant(s) _____

Property Address _____

The undersigned ("Applicant/Purchaser") who is buying the residence ("Home" or "Property") shown above, acknowledge(s) and understand(s) that a Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") is recorded on the Property and that the restrictions contained therein relate to the transfer and use of the Property. The undersigned specifically acknowledge(s) the following restrictions (all persons taking title to the home must initial each item below):

_____ The Property must be the only residence of the owner.

_____ The Property may not be rented or leased to any individual or household, this includes renting or leasing to family members of the owner.

_____ Additional debt secured by the property or refinancing existing debt on the property must be approved in advance by the City. The City may establish limits on the amount of debt that may be secured by the Property.

_____ Subsequent sales of the property will be subject to affordability restrictions, requiring the property to be sold at an affordable price to an income-eligible buyer.

_____ Future maximum affordable sales prices of the property will be determined by the City and may be less than the fair market value of the home.

_____ Ownership of the property may not be amended or transferred without prior approval by the City. Subsequent owners of the property must be income-eligible, and transfers must be made at an affordable sales price.

_____ The owner may not discriminate against potential subsequent buyers based on their race, color, religion, sex, marital status, sexual orientation, national origin, or ancestry.

The undersigned has taken the requirements included in the Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions"), as partially described in this Special Disclosure, into account prior to determining to purchase the Property.

All persons taking title to the Home must sign this Disclosure.

Applicant	Co-Applicant
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Date: _____	Date: _____

Real Estate Transfer Disclosure Statement Language

The following language must be inserted exactly as written below into the Real Estate Transfer Disclosure Statement signed by both the seller and the buyer and attached to the Residential Purchase Agreement:

The Subject Property is an affordable housing unit in the City of Huntington Beach's Inclusionary Housing Program. The City of Huntington Beach has established a Maximum Price for this unit, and the Purchase Price in the Residential Purchase Agreement, does not exceed this amount. All consideration for the purchase of the Subject Property has been fully disclosed and described in the Residential Purchase Agreement, which will be submitted to the City of Huntington Beach for approval. Buyer and Seller acknowledge that there may be no agreement separate from the Residential Purchase Agreement between Buyer and Seller or any other parties related in any manner to the purchase of the Subject Property, which would include payment for personal property, upgrades to the Subject Property, gifts, or other arrangements that might circumvent the Maximum Price established by the City.