



Application for Purchase of a New Custom-Built Home

In 2017-2018, Near North Development Corporation (NNDC) expects to develop fourteen (14) new homes in the Crown Hill neighborhood, for sale to low-, moderate-, and middle-income owner-occupant households. These new homes are being developed as a part of a multi-year, multi-million dollar housing revitalization initiative led by NNDC that will include demolition of vacant, blighted houses, construction or rehabilitation of as many as forty (40) homes for new home owners, and repair assistance for current home owners in the neighborhood.

In addition to model homes for sale on the open market, NNDC will be **custom-building new homes** for qualified, pre-approved purchasers. Buyers of custom homes can select their home from a portfolio of diverse plans available, add options such as privacy fencing or rear deck, and pick out interior & exterior colors, flooring, cabinets, countertops, and other finishes and fixtures. NNDC's custom homes range from 1400 to 1800 square feet in size, with 3 or 4 BRs, 2 or 2½ Bths, walk-in closets, all kitchen appliances, and a 2-car garage, and range in price from \$110,000 to \$130,000 (incl. the lot). NNDC even provides closing cost assistance!

To be purchase of a new custom home, interested buyers must:

1. Meet the income eligibility-guidelines associated with the federal subsidy dollars NNDC invests in development of the new home;
2. Be capable of obtaining the necessary mortgage financing for the purchase of the new home; and
3. Have the cash necessary for the down payment and closing costs required for the purchase.

Applications for the purchase of a new custom home will be accepted by NNDC on an on-going basis. To apply, please complete this form, attach all necessary documentation, and submit it to:

Near North Development Corporation
1630 N. Meridian Street, Suite 1110
Indianapolis, IN 46202

When received, your application will be reviewed, additional information may be requested as necessary, and you will receive written notice of your eligibility to purchase a new custom home. Eligible, approved applicants will then have thirty (30) days to select a lot and floor plan, and enter into a contract for purchase of their new home.

For questions or additional information, please contact Darren Trimble, Project Manager, at (317) 927-9881 or darren@nearnorthdevelopment.org.

I. APPLICANT

Applicant: _____

DOB: _____

Co-Applicant: _____

DOB: _____

Current Address: _____

Telephone # _____

Email: _____

II. INCOME ELIGIBILITY

Grant funds used by NNDC to subsidize the development of the planned new homes require that the homebuyer meet certain U.S. Department of Housing & Urban Development (HUD) maximum income guidelines, as follows:

		Household Size					
		1	2	3	4	5	6
Max. Household Income	(80% AMI)	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400	\$64,850
		<i>(Apr 2017)</i>					

List all persons currently residing in your household, regardless of age or familial status, and for each, total all income, including full or part-time wages/salary, and income from all other sources such as Social Security, annuities, retirement funds, alimony, and child support.

Name	Position in Household	Age	Income Source(s)	Total Annual Income
1.				\$
2.				\$
3.				\$
4.				\$
5.				\$
6.				

Total Annual Household Income: \$ _____

Attach the following with your application, as applicable, to support the income information provided above (check if attached):

- Three (3) most recent pay stubs or pay statements
- Most recent W-2s and copy of most recent IRS Form 1040 filed
- Most recent Form 1099, 1098 received
- Copy of retirement check or Retirement Benefits letter
- Copy of 'Notice of Award' letter from the Social Security Administration
- Documentation of Child Support award
- Other: _____
- Other: _____

IMPORTANT: NNDC may request additional documentation it deems necessary to verify total household income. Applications will not be approved unless income eligibility can be determined by NNDC.

III. MORTGAGE-READINESS

Attach a pre-approval letter from a mortgage lending institution demonstrating that you are mortgage-ready and capable of securing the necessary financing to purchase one of NNDC's new homes. This pre-approval letter must be less than 60 days old and must include:

- A. The pre-approval date;
- B. The type of mortgage financing/loan product to be used for the home purchase;
- C. The maximum amount the buyer could borrow through the identified loan program;
- D. The term and interest rate of the loan;
- E. The amount of down payment required under the loan program;
- F. A good faith estimate of the closing costs, pre-pays, and escrows associated with the loan and the applicant's purchase the home; and
- G. A statement that the pre-approval process included an examination of Applicant's credit score and credit report. (**Important:** A pre-qualification letter or a pre-approval that did not include examination of credit score and credit report will NOT be considered to demonstrate mortgage readiness.)

IV. DOWN PAYMENT & CLOSING COSTS

Attach bank statements or any other documentation that demonstrates you have the cash necessary for the down payment and anticipated closing costs, pre-pays, and escrows required for the purchase of a new NNDC home.

If you expect to utilize a 3rd-party home purchase assistance program to fund some of the cash requirement associated with the purchase, attach documentation indicating:

- A. What specific assistance program is to be utilized;
- B. How much (\$) assistance is available;
- C. The Applicant has been approved to receive the assistance; and
- D. The funds have already been set-aside or allocated to the Applicant for their home purchase.

V. ADDITIONAL PURCHASE ASSISTANCE

NNDC will facilitate up to \$2,500 in purchase assistance, through the City of Indianapolis HOME or CDBG programs, for the buyers of its new homes:

- A. The funds will be provided based on need, and represent a subsidy to the buyer to increase affordability of the home.
- B. There are no restrictions on the resale of the home related to time, income, or tenure-type of a subsequent purchaser.
- C. Federal regulations require that the amount of the Buyer subsidy be recaptured if the Buyer no longer occupies the property as their primary residence, or transfers ownership of the property.
- D. The assistance is provided in the form of a deferred loan, subordinated to a homebuyer's primary purchase financing.
- E. The deferred loan carries a zero percent (0%) interest rate and requires no repayment as long as the buyer continues to own the property and occupies it as their primary residence.
- F. A promissory note and mortgage will be executed as part of the Buyer's purchase transaction, and the mortgage will be recorded as a subordinate lien against the property.

VI. ACKNOWLEDGEMENT & AGREEMENT

- A. Applicant acknowledges the information provided herein and attached herewith is true and accurate.
- B. Applicant agrees to provide any and all additional documentation NNDC, at its sole discretion, determines necessary to determine income eligibility, mortgage readiness, and cash assets for the purchase of a home.
- C. Applicant authorizes Applicant's lender, financial institution(s), and employer(s) to release any such documentation they may possess for the purpose of assisting NNDC in verifying income eligibility, mortgage readiness, and cash assets for the purchase.
- D. Applicant acknowledges they intend to occupy the property as their primary residence.
- E. Applicant acknowledges they have received and reviewed copies of the deferred loan note, mortgage, and disclosure, as to form, and hereby agrees to execute the completed documents at closing of the purchase transaction.

Applicant Signature

Date

Co-Applicant Signature

Date