

HOME PURCHASE APPLICATION (ADDENDUM)

This application must be completed and submitted, along with all required supporting documentation, by a prospective purchaser (“Applicant”) prior to submission of an offer to purchase a new home developed by Near North Development Corporation (NNDC).

NNDC invests significant federal dollars in the redevelopment properties to create new affordable home ownership opportunities for low- and moderate-income households, which requires that before an offer to purchase can be considered or accepted, NNDC must verify and document that the potential buyer:

1. Meets the income eligibility guidelines associated with the subsidy dollars invested in a property;
2. Understands the regulatory requirements associated with purchase and ownership of a home, in relation to tenure type, affordability, resale, and potential repayment of subsidy dollars.
3. Is capable of obtaining the necessary mortgage financing for the purchase of the home; and
4. Has the funds necessary for the down payment and closing costs associated with their purchase.

Applications to purchase a home developed by NNDC, either one already underway or planned, may be submitted at any time. Applications may be submitted with an offer to purchase, but this will slow consideration of the offer. Interested potential buyers are **STRONGLY** encouraged to submit an application in advance of submitting an offer on a home, to ensure that all documentation can be reviewed and eligibility verified, and that the forthcoming offer can be responded to promptly.

Applications may be submitted electronically or in hard (paper) copy form to:

Angie Calvert, Project Coordinator
Near North Development Corporation
1630 N. Meridian Street, Suite 1110
Indianapolis, IN 46202
angie@nearnorthdevelopment.org

Applications are reviewed by NNDC staff within three (3) days of receipt, additional information requested as necessary, and approved Applicants provided with written notice of their approval and eligibility to purchase an NNDC-subsidized home. Should an approved Applicant then enter into a purchase agreement for a home developed by NNDC, this application and all supporting documentation will be attached therewith and become an addendum to that agreement.

Funding support for NNDC’s housing development program is provided in part by the City of Indianapolis, the U.S. Department of Housing & Urban Development, and Indianapolis Neighborhood Housing Partnership.



PROPERTY ADDRESS: TBD

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	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150
		<i>(June 2019)</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: \$ _____

Please complete the following for the Applicant listed above. This information is collected for grant-compliance and reporting purposes only.

Gender: Male Female
 Marital Status: Single Married Divorced Widowed
 Race: African American Asian Hispanic American Indian
 Pacific Islander Caucasian Other
 Disability Status: Not Disabled Disabled Other

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

- Six (6) months of 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
- Six (6) months' checking & savings account statements
- Other: _____

IMPORTANT: Applications will not be approved unless income eligibility can be determined by NNDC and confirmed by the City of Indianapolis (the "City"). NNDC and/or the City may request additional documentation deemed necessary to verify eligibility.

III. MORTGAGE-READINESS

Attach a written mortgage pre-qualification or pre-approval a lending institution demonstrating that Applicant is mortgage-ready and capable of securing the necessary financing to purchase an NNDC home. This documentation but must be less than 60 days old and MUST include/identify:

- A. The specific type of mortgage financing/loan product to be used for the purchase;
- B. The maximum amount Applicant could borrow through the identified loan program;
- C. The term and interest rate of the loan;
- D. The amount of down payment required under the loan program;
- E. An itemized estimate of the closing costs, pre-pays, and escrows associated with the loan and the Applicant's purchase of the home; and
- F. A statement that the pre-qualification/approval process included an examination of Applicant's credit score and credit report.

IV. DOWN PAYMENT & CLOSING COSTS

Attach last six (6) months of bank statements and any other documentation that demonstrates Applicant has the funds necessary for the down payment and anticipated closing costs, pre-pays, and escrows anticipated in relation to the purchase of an NNDC home.

If Applicant expects 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. The amount of the assistance;
- C. That Applicant has been approved to receive the assistance; and
- D. The funds have been set-aside or otherwise allocated to the Applicant for their purchase.

V. FEDERAL SUBSIDY REPAYMENT / RECAPTURE

There are subsidy repayment/recapture provisions associated with the purchase of a home in which NNDC has invested **Community Development Block Grant (CDBG)** funds, as follows:

- A. A promissory note and mortgage in favor of the City of Indianapolis will be executed as part of the Buyer’s purchase transaction, and recorded as a subordinate lien against the property.
- B. The amount of the note and mortgage will be the lowest of three different calculations: (1) Total development cost minus appraised value; (2) Appraised value minus sales price; or (3) amount of federal subsidy, in this case CDBG, invested in the property.
- C. The CDBG note carries a zero percent (0%) interest rate, requires no repayment as long as the buyer continues to own the property and occupies it as their primary residence, and is forgiven over a 5-year period for buyers whose income is less than 80% area median income.
- D. There are no restrictions on the resale of the home related to time, income, or tenure-type of a subsequent purchaser.
- E. Repayment of any unforgiven balance is required upon sale, but shall not exceed the net proceeds of sale, less the amount of original down payment contributed by the buyer.

VI. ACKNOWLEDGEMENT & AGREEMENT

- A. Applicant acknowledges the information provided herein and attached herewith is true and accurate, and 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.
- B. 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, cash assets, and 3rd-party financial assistance associated with the contemplated purchase.
- C. Applicant acknowledges they intend to occupy the property as their primary residence.
- D. Applicant acknowledges they have received and reviewed copies of the applicable CDBG and notes, mortgages, and disclosures, as to form, hereby agrees to execute the completed documents at closing of the purchase transaction, and understands that failure to do so constitutes an instance of default on the purchase contract.

Applicant Signature

Date

Co-Applicant Signature

Date