BARANOF ISLAND HOUSING AUTHORITY

245 Katlian Street, Sitka, AK 99835
907-747-5088

CLOSING COST ASSISTANCE APPLICATION

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(907) 747-5088 – fax (907) 747-5701

CLOSING COST ASSISTANCE PROGRAM

The Closing Cost Assistance program has been developed to assist qualified, low income families to obtain affordable housing by offering funds to assist with payment of the amount necessary to pay the costs associated with closing a conventional or leveraged mortgage loan. At the end of the fifth year of occupancy by the borrower, the amount loaned converts to a grant which is forgiven.

BIHA has a limited amount of funding available for closing cost assistance for resident (Sitka area) Alaskan /American Indian families earning less than 100% of the area Median Family Income, (MFI).*

Terms:

- ✓ Funds not to exceed $5,000 may be used for closing costs
- ✓ A Good Faith Estimate or letter of eligibility for financing from a bank or mortgage lender is required
- ✓ Applicant is required to participate with a minimum contribution of $1,500 out of pocket to be used either as earnest money and/or for lender required improvements to the subject property
- ✓ The applicant must provide documentation from the lender of the (estimated) amount required for payment of closing costs
- ✓ Should <u>any</u> transfer of the property occur prior to the fifth year of ownership, BIHA will recapture the amount granted to the applicant from the proceeds of sale or transfer.

Eligibility:

- ✓ Must be Alaska or American Indian tribal member
- ✓ Household income is less than 100% MFI*
- ✓ Applicant must show need (qualification for bank loan must be contingent on participation by BIHA or be referred from another agency)
- ✓ Applicant must be a first time homebuyer (a first time homebuyer is defined as a person who has not owned a home for three years)
- ✓ The property must be owner occupied

- ✓ Applicant is required to attend a Home Choice first time home buyer education course and provide the certificate of completion.

The following eligibility requirements must be met by persons selected for the Closing Cost Assistance program:

1. The applicant(s) must be first time homebuyers, which is defined as an individual or his or her spouse who have not owned a home during the three year period prior to the purchase of a home with program funds, except that:

   a. Any individual may not be excluded from consideration as a first time homebuyer on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse; and

   b. Any individual who has inherited a portion of a home and does not reside in the home may be considered for program funds based on the eligibility determination of the Executive Director.

   If applicable, BIHA will require copies of the mortgage loan documents and divorce decree for applicants who have owned a home with a spouse during the preceding three years. BIHA may also require copies of probate documents in the case of an applicant who has inherited a portion of a home.

2. BIHA will provide assistance to individuals and families whose household income is less than 100% MFI,* as established by the Secretary of Housing and Urban Development.

3. To be eligible, the applicant(s) must be willing to sign a Second or Third Mortgage Agreement, which includes a Deed of Trust Promissory Note and a Deed of Trust, if applicable.

Obligation of Funds:

Once an applicant has been approved for assistance and has been issued a good faith estimate from a lender, funds will be obligated. **This program is administered on a first come first serve basis.**

WARNING

SECTION 1001 OF TITLE 18 OF THE U.S. CODE MAKES IT A CRIMINAL OFFENSE TO MAKE WILLFULL FALSE STATEMENTS OR MISREPRESENTATIONS OF ANY MATERIAL FACT INVOLVING THE USE OF OR OBTAINING OF FEDERAL FUNDS.

** Applications will not be processed unless they are complete with all requested information and identification. A list of items needed is included with this application.*

*** Applications not updated annually will be deemed inactive. Staff will send one notice to update. If no response is received within the allotted time, the application will be terminated.*

Closing Cost Assistance Checklist

- □ COMPLETE APPLICATION
- □ PHOTO ID FOR EVERYONE OVER 6 YEARS OF AGE
- □ TAX RETURNS FOR LAST THREE YEARS OR CERTIFICATION BY APPLICANT IF NO INCOME TAX RETURNS FILED.
- □ CERTIFICATE OF INDIAN BLOOD
- □ INCOME INFORMATION FOR ALL MEMBERS OF HOUSEHOLD
  PAYCHECK STUBS 3 MONTHS
  STATEMENT OF BENEFITS (SSA, SSI, PUBLIC ASSISTANCE, RETIREMENT)
- □ BANK STATEMENTS FOR ALL BANK ACCOUNTS LAST THREE MONTHS
- □ BACKGROUND & CREDIT REPORT AUTHORIZATION SIGNED AND APPLICABLE FEES PAID
  - $27.00 BACKGROUND & CREDIT CHECK FEE (Single Applicant)
  - $54.00 BACKGROUND & CREDIT CHECK FEE (Married Applicants)
- □ SIGNED RELEASE OF INFORMATION
- □ FIRST TIME HOMEBUYER EDUCATION COURSE (CERTIFICATE)
- □ EARNEST MONEY AGREEMENT
- □ LETTER OF ELIGIBILITY FROM BIHA TO LENDER
- □ COPY OF APPRAISAL, WITH PHOTOS
- □ DIVORCE DECREE/PROPERTY SETTLEMENT/CHILD CUSTODY
- □ SIGNED LEAD-BASED PAINT NOTIFICATION AND ACKNOWLEDGMENT
- □ LETTER FROM LENDER REQUESTING CLOSING COSTS (CHECK REQUEST)
- □ CLOSING COMPANY IDENTIFIED WITH COPY OF TITLE INSURANCE POLICY
- □ CLOSING COST ASSISTANCE REPAYMENT AGREEMENT
- □ GOOD FAITH ESTIMATE
- □ INCOME CALCULATION SHEET

CLOSING COST APPLICATION

It is the responsibility of the applicant to update this application as changes in family circumstances occur. Failure to update information at least annually or within the time frame specified in a written request for updated information will result in the application being deemed inactive.

☐ Initial Application **☐ Update Information**

APPLICANT INFORMATION:

Name of Applicant: _____

Mailing Address: _____

Physical Address: _____

Home Phone: _____ Cell: _____ Work: _____

Email: _____

HOUSEHOLD COMPOSITION

NAME	RELATIONSHIP	DOB	AGE	GENDER	SOCIAL SECURITY #
1.	Head Household				
2.					
3.					
4.					
5.					
6.					
7.					

The following information is for Federal reporting purposes, and in some cases, for eligibility purposes.

☐ Enrolled member of Sitka Tribe of Alaska* ☐ Alaska Native* ☐ American Indian*

**If you are claiming Tribal preference, documentation of enrollment in Sitka Tribe of Alaska must be provided. To claim preference as an Alaska Native / American Indian, you must provide a Certificate of Degree of Indian Blood from the Bureau of Indian Affairs, or other acceptable proof from a federally recognized Tribe.*

Have you or a member of your household ever been convicted of <u>any</u> crime other than a traffic violation? Yes ☐ No ☐ If yes, explain what the conviction was for: _____
_____
_____

Are you or a member of your household required to register as a sex offender? Yes ☐ No ☐

Have you or a member of your household ever been convicted of domestic violence? Yes ☐ No ☐

SOURCE OF INCOME:

Income includes but is not limited to the following; hourly wage, salary, income from a business, public assistance, Social Security, disability, child support, alimony, unemployment, VA benefits, regular payments from an annuity or trust, pensions or other retirement accounts, Native corporation dividends exceeding $2,000 per year, any income received from assets, etc. Provide GROSS INCOME, before deductions.

ALL INCOME MUST BE REPORTED FOR THOSE INDIVIDUALS LIVING IN THE HOME OVER THE AGE OF 18.

Name	Source of Income	Total Annual Income	PFD
1.		$	
2.		$	
3.		$	
4.		$	
5.		$	
6.		$	

TOTAL: $_____

ASSETS/DIVIDEND INCOME:

Assets include, but are not limited to; real property, non-commercial boats, recreational vehicles/watercraft, rental property, stocks, interest in non-native held corporations, etc. Documentation of current value of each asset must be provided with the application.

Name	Description of Asset	Current Value
1.	Home* (tax assessed value)	$
2.		$
3.		$
4.		$
5.		$

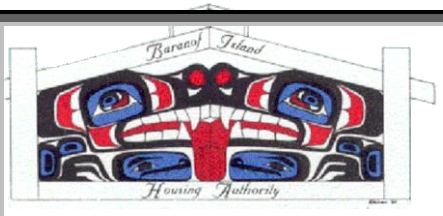
NATIVE CORPORATION SHARES:

Shareholder	Corporation	# Shares
1.		
2.		
3.		
4.		

BANK ACCOUNTS:

List all checking and savings accounts, CD's, IRA's, Bonds, etc. Use a separate sheet if necessary.

Name Account Holder	Bank or Lending Institution	Account Numbers
1.		
2.		



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CREDIT REPORT AUTHORIZATION AND RELEASE

BY MY SIGNATURE BELOW I AUTHORIZE BARANOF ISLAND HOUSING AUTHORITY to obtain a Consumer Credit Report and/or background Report on me. This authorization is valid for purposes of verifying information given pursuant to mortgage lending, leasing, rental, or any other lawful purpose covered under the Fair Credit Reporting Act. (FCRA)

By my signature below, I hereby authorize all corporations, former employers, credit agencies, education institutions, law enforcement agencies, city, state, country and federal courts and agencies, military services and persons to release all information they may have about me. This authorization shall be valid in original or copy form.

Applicant's Full Name: _____

Social Security Number: _____ - _____ - _____

Date of Birth: _____

Co Applicant's Full Name: _____

Social Security Number: _____ - _____ - _____

Date of Birth: _____

Current Address: _____

City, State, Zip: _____

Home Telephone number: (_____)_____

Work Telephone number: (_____)_____

_____ _____
Applicant Signature Date

_____ _____
Co- Applicant Signature Date

_____

For Office Use Only:

Credit Report Fee Paid: $_____ Individual Adult $ 11.00 Married $22.00

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PROPERTY DETAILS

LOCATION

ADDRESS:	**CITY:**	**STATE:**
ZIP:	**SALE PRICE:$**	

LENDER INFORMATION

BANK NAME:	**ADDRESS:**	**CITY:**
STATE:	**ZIP:**	**LOAN AMOUNT:$**

TITLE COMPANY

NAME:	**ADDRESS:**	**CITY:**
STATE:	**ZIP:**	

CLOSING COST AMOUNT: $_____

I/WE UNDERSTAND THAT THE INFORMATION GIVEN TO BARANOF ISLAND HOUSING AUTHORITY ON THIS APPLICATION IS ACCURATE AND COMPLETE TO THE BEST OF MY/OUR KNOWLEDGE AND BELIEF. I/WE, UNDERSTAND THAT FALSE STATEMENTS OR INFOMRATION ARE PUNISHABLE UNDER FEDERAL LAW.

SIGNATURE:_____ DATE:_____

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Certification by Applicant of no Income Tax Returns Filed

I/we,_____ certify that I/we have not filed income tax

returns for the following years:_____,_____,_____. The reason I/we have not filed taxes is:_____

_____

Section 1001 of title 18 of the US Code makes it a criminal offense to make willful false statements or misrepresentation of any material fact involving the use of or obtaining federal funds.

By signing below, I/we acknowledge that if it is determined that I/we have misrepresented this information that I/we are subject to prosecution for misrepresentation of income and/or assets for the purpose of unlawfully obtaining federal funds.

_____ _____
Signature of Applicant Date

_____ _____
Signature of Co-Applicant Date

State of Alaska
First Judicial District ***ss*.**

The Foregoing Instrument was acknowledged before me by_____

_____ on this _____day of _____20____.

Witness my hand and seal.

_____
Signature of Notary Public

_____
Printed name of Notary Public

My Commission Expires:_____

Authorization for the Release of Information/ Privacy Act Notice

to the U.S. Department of Housing and Urban Development (HUD) and the Housing Agency/Authority (HA)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB CONTROL NUMBER: 2501-0014
exp. 1/31/2014

PHA requesting release of information; (Cross out space if none) (Full address, name of contact person, and date)	IHA requesting release of information: (Cross out space if none) (Full address, name of contact person, and date)
	Baranof Island Housing Authority 245 Katlian Street Sitka, AK 99835

Authority: Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, as amended by Section 903 of the Housing and Community Development Act of 1992 and Section 3003 of the Omnibus Budget Reconciliation Act of 1993. This law is found at 42 U.S.C. 3544.

This law requires that you sign a consent form authorizing: (1) HUD and the Housing Agency/Authority (HA) to request verification of salary and wages from current or previous employers; (2) HUD and the HA to request wage and unemployment compensation claim information from the state agency responsible for keeping that information; (3) HUD to request certain tax return information from the U.S. Social Security Administration and the U.S. Internal Revenue Service. The law also requires independent verification of income information. Therefore, HUD or the HA may request information from financial institutions to verify your eligibility and level of benefits.

Purpose: In signing this consent form, you are authorizing HUD and the above-named HA to request income information from the sources listed on the form. HUD and the HA need this information to verify your household's income, in order to ensure that you are eligible for assisted housing benefits and that these benefits are set at the correct level. HUD and the HA may participate in computer matching programs with these sources in order to verify your eligibility and level of benefits.

Uses of Information to be Obtained: HUD is required to protect the income information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes, to Federal agencies for employment suitability purposes and to HAs for the purpose of determining housing assistance. The HA is also required to protect the income information it obtains in accordance with any applicable State privacy law. HUD and HA employees may be subject to penalties for unauthorized disclosures or improper uses of the income information that is obtained based on the consent form. **Private owners may not request or receive information authorized by this form.**

Who Must Sign the Consent Form: Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult members joining the household or whenever members of the household become 18 years of age.

Persons who apply for or receive assistance under the following programs are required to sign this consent form:

- PHA-owned rental public housing
- Turnkey III Homeownership Opportunities
- Mutual Help Homeownership Opportunity
- Section 23 and 19(c) leased housing
- Section 23 Housing Assistance Payments
- HA-owned rental Indian housing
- Section 8 Rental Certificate
- Section 8 Rental Voucher
- Section 8 Moderate Rehabilitation

Failure to Sign Consent Form: Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the HA's grievance procedures and Section 8 informal hearing procedures.

Sources of Information To Be Obtained

State Wage Information Collection Agencies. (This consent is limited to wages and unemployment compensation I have received during period(s) within the last 5 years when I have received assisted housing benefits.)

U.S. Social Security Administration (HUD only) (This consent is limited to the wage and self employment information and payments of retirement income as referenced at Section 6103(l)(7)(A) of the Internal Revenue Code.)

U.S. Internal Revenue Service (HUD only) (This consent is limited to unearned income [i.e., interest and dividends].)

Information may also be obtained directly from: (a) current and former employers concerning salary and wages and (b) financial institutions concerning unearned income (i.e., interest and dividends). I understand that income information obtained from these sources will be used to verify information that I provide in determining eligibility for assisted housing programs and the level of benefits. Therefore, this consent form only authorizes release directly from employers and financial institutions of information regarding any period(s) within the last 5 years when I have received assisted housing benefits.

Consent: I consent to allow HUD or the HA to request and obtain income information from the sources listed on this form for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that HAs that receive income information under this consent form cannot use it to deny, reduce or terminate assistance without first independently verifying what the amount was, whether I actually had access to the funds and when the funds were received. In addition, I must be given an opportunity to contest those determinations.

This consent form expires 15 months after signed.

Signatures:

Head of Household	Date		
Social Security Number (if any) of Head of Household		Other Family Member over age 18	Date
Spouse	Date	Other Family Member over age 18	Date
Other Family Member over age 18	Date	Other Family Member over age 18	Date
Other Family Member over age 18	Date	Other Family Member over age 18	Date

Privacy Act Notice. Authority: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and by the Fair Housing Act (42 U.S.C. 3601-19). The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and participants to submit the Social Security Number of each household member who is six years old or older. Purpose: Your income and other information are being collected by HUD to determine your eligibility, the appropriate bedroom size, and the amount your family will pay toward rent and utilities. Other Uses: HUD uses your family income and other information to assist in managing and monitoring HUD-assisted housing programs, to protect the Government's financial interest, and to verify the accuracy of the information you provide. This information may be released to appropriate Federal, State, and local agencies, when relevant, and to civil, criminal, or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Penalty: You must provide all of the information requested by the HA, including all Social Security Numbers you, and all other household members age six years and older, have and use. Giving the Social Security Numbers of all household members six years of age and older is mandatory, and not providing the Social Security Numbers will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

Penalties for Misusing this Consent:

HUD, the HA and any owner (or any employee of HUD, the HA or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form.

Use of the information collected based on the form HUD 9886 is restricted to the purposes cited on the form HUD 9886. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than $5,000.

Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the HA or the owner responsible for the unauthorized disclosure or improper use.