



PURCHASE ASSISTANCE PROGRAM LENDER INSTRUCTIONS

Homebuyers who wish to apply for grant funds offered through the Collier County Community & Human Services Department (CHS) must meet the requirements of the program and be pre-qualified for a first mortgage loan by a lending institution.

Any financial institution providing a home loan to a buyer requesting State and/or Federal funds must execute a Memorandum of Understanding with Collier County prior to funds being awarded toward the purchase of the home. Funds are issued on a first-come, first-qualified, first-serve basis and dependent on the availability and limitations on the amount of funds an income group is allocated.

The following documents must be provided by the lender as part of the homebuyer application package prior to closing for County review. Processing time may take up to 5-6 weeks upon receipt of a completed application.

1. Data Sheet(form attached)
2. First Mortgage Loan Commitment/Approval Letter
3. Signed 1003 loan application, 1008 underwriting summary
4. Loan Estimate
5. Closing Disclosures
6. Appraisal
7. Sales Contract
8. Borrower(s) credit report
9. Closing agent information (form attached)

Lenders Instructions

- **Prior to closing**, a copy of the final HUD-1 settlement statement must be faxed to (239) 252-6432 or emailed to MandyMoody@colliergov.net for an approval to close from HHVS. The closing agent will receive an email indicating "**clear to close**" from HHVS staff.
- Funds should only be utilized for down payment and/or closing cost. Any remaining funds must be used to reduce the first mortgage loan. Homebuyer **cannot receive any cash back at closing**, including any money paid towards earnest money deposit, application fee, appraisal etc.
- County funds must be listed as "Collier County SHIP Second Mortgage" on all forms.
- Collier County Community & Human Services must be named as a mortgagee on the Homeowners Insurance Policy with a copy provided to the County at closing and annually thereafter.

For more information regarding the County Purchase Assistance Program or availability of funds please call:

Mandy Moody
Grants Support Specialist
Phone (239) 252-2338
E-fax: (239) 252-6432
MandyMoody@colliergov.net



Collier County Purchase Assistance Programs Guidelines and Memorandum of Understanding

The Collier County Community & Human Services (CHS) provides funds to assist first-time homebuyers in purchasing a home through the Collier County Purchase Assistance Program. Any financial institution providing a home loan to a buyer that will be using State and/or Federal funds through Collier County must understand and agree to comply with the guidelines set forth below.

A. APPLICANT/HOMEBUYER:

- Applicants must be first-time homebuyer to receive grant assistance.
- Homebuyers must be pre-qualified for first mortgage financing by a financial institution before an application is submitted to the County for processing.
- Homebuyers must attend a HUD Certified Homebuyer Education course approved by CHS prior to receiving a final approval. Certificate of Completion must be on file with CHS and must not be more than 1 year old.

B. NONDISCRIMINATION: The financial institution agrees not to discriminate on the basis of race, religion, color, age, sex, familial status, national origin, or handicap.

C. MAXIMUM INCOME:

- Household income must be at or below 120% of the median area income as determined by HUD/FHFC and adjusted for family size. This requirement applies to applicants assisted with **SHIP** funds.
- Household income must be at or below 80% of the median area income as determined by HUD/FHFC and adjusted for family size. This requirement applies to applicants assisted with **HOME/CDBG** funds.

D. PROPERTY REQUIREMENTS:

- Maximum Purchase Price not to exceed \$300,000 (**SHIP**). If federal funds (**HOME/CDBG**) are used, Maximum Purchase Price cannot exceed \$265,050.
- The property may be an existing single family, townhouse, condominium or one side of a duplex which will be owner-occupied as a primary residence.
- Mobile or manufactured homes and trailers are not eligible for assistance.
- The property must have an appraisal done by a certified appraiser.
- The housing must have a full home inspection completed by a certified home inspector prior to closing.
- If Federal funds will be used; the home may require and Environmental and Housing Quality Standards (HQS) Inspection or UCP Standards.

E. REQUIRED DOCUMENTS:

- Lenders agree to supply County the following documents prior to closing for review and processing. Signed 1003 loan application; Signed Loan Estimate; Credit Report for all borrowers; Signed Closing

Disclosures; Appraisal; Sales Contract; Home Inspection completed by certified home inspector; certificate of occupancy if it is new construction; closing agent information.

F. LOANS AND LOAN POSITION:

- Collier County will take second position, and only take third position, if Florida Housing Finance Corporation funds are used.
- First mortgage must be a fixed rate: Conventional, Portfolio, FHA, VA, USDA.
- No ARM's, prepayment penalty, negative amortization, balloon loan, owner financing or other non-affordable loan terms allowed.
- Interest rate may not exceed 1% of the Fannie Mae 60 day rate at lock-in date. Evidence of date and rate must be provided to HHVS prior to closing.
- APR Rate must not exceed 1% of the interest rate
- Interest Rate Buy downs and Discounts are not allowed.
- Cash to borrower or consolidation of debt is **not allowed** at closing.

G. RATIOS AND SUBSIDY:

- Ratios may not exceed a Front-End Ratio maximum of 32% - Back-End Ratio maximum of 45%; any exceptions must be approved by the CHS Director.
- HOME loan subsidy will be determined by using the subsidy calculator. Subordinate financing amount will only be what makes the home affordable to the borrower according to the HOME subsidy calculator.

H. CREDIT GUIDELINES:

- Non occupant co-borrowers/signers **are not** allowed.
- Applicants **must not** have had any of the following during the **previous three years**: Foreclosure, Deed-in-lieu, Bankruptcy, delinquent tax liabilities or delinquent Collier County property taxes.

I. LENDER FEES:

- Lender fees may **not exceed \$1,500 before any credits are applied**; this includes origination fees charged for processing fees, underwriting, administration and document preparation.
- Broker fees and loan discount fees are **not** allowed

J. Closing Disclosures:

- Closing Disclosures **must be fax or email to CHS 24hrs in advance to scheduled closing date** for our review. CHS office will provide a clear to close and authorize the DPA check to be picked up by the lender, closing agent or realtor unless other arrangements are made.
- Title Company shall supply CHS all final Closing Disclosure documents for review and approval before County will release check for closing.

K. CLOSING:

- Lender, Title Company and/or Realtor can pickup check from our office and deliver to closing **no more than 24hrs before closing**. Collier County must be named as second mortgage holder on Homeowners Insurance policy.

- The Collier County Board of County Commissioners reserves the right to withhold any check until all documents are received and approved in accordance with the grantor’s regulations.

L. Title Company/Closing Agent

- Title company must fax or email the following to HHVS within 24hrs after the closing:
 - Final Signed loan application (1003)
 - Copy of Homeowners Insurance and Flood Insurance (County must be named as second mortgage holder)
 - Signed 2nd Mortgage and Promissory Note
 - Final signed Closing Disclosures.
- Record DPA Mortgage with a copy of Promissory note. Original recorded documents (note & mortgage) **must be mailed back within 30 days following the closing to:**

Community and Human Services Division
 Attn: Purchase Assistance Program
 3339 E. Tamiami Trail, Suite 211
 Naples, FL 34112

- DPA Loan is subject to Doc Stamps; however, it is exempt from Intangible Tax.
 - SHIP Second Mortgage (3 pages); SHIP Promissory Note (2 pages).
 - CDBG/ HOME Second Mortgage (4 pages); SHIP Promissory Note (1 page).

Lending Institution:

I, _____, a duly authorized Loan Officer with the following regulated
(Name)

Financial Institution _____, hereby agree to abide
(Name of Lending Institution)

by all of the above Collier County Purchase Assistance Program “Lender Guidelines” and understand that failure to abide will disqualify me from participation with the program at the discretion of the Housing, Human and Veteran Services Director.

Contact Name: _____

 Authorized Signature Title Date

Business License # _____ EIN# _____

Address: _____

Phone: _____ Fax: _____

E-mail: _____

SHIP PURCHASE ASSISTANCE PROGRAM -DATA SHEET

LENDER INFORMATION:

The Applicant(s)/Potential Borrower(s) identified below appear to meet the basic eligibility requirements of Collier County's SHIP Purchase Assistance Program based on preliminary information received during their mortgage application.

Name of Lending Institution: _____

Address of Lending Institution: _____

City: _____ State: _____ Zip Code: _____

Loan Officer/ Broker: _____

Phone No.: _____ Fax No.: _____

E-mail addresses: _____

BORROWER(S) INFORMATION:

Borrower's Name: _____

Co- Borrower/Spouse Name: _____

Phone Numbers: Work: - _____ Home: _____ Cell: _____

E-mail Addresses: _____

Total number of persons intending to reside in home: _____

Number of adults: _____ Number of children under 18 years old: _____

PROPERTY INFORMATION:

Address of Property to be purchased: _____

City: _____ State: _____ Zip Code: _____

Folio #: _____ New Unit: _____ Existing Unit: _____

City of Naples: _____ Yes _____ No

Property Type: _____ Single Family Detached _____ Condo _____ Townhouse _____ Manufactured

MORTGAGE/FINANCIAL INFORMATION:

Purchase Price \$ _____ Appraisal Amount \$ _____

Loan Amount \$ _____ Monthly Payments (PITI) \$ _____

Estimated Closing Date: _____

Closing Agent: _____ Phone No.: _____

Loan Type _____ FHA _____ VA _____ USDA _____ CONV _____ Portfolio _____ Other

CERTIFICATION OF FINANCIAL INSTITUTION

_____, is a regulated financial institution that is submitting a SHIP Purchase Assistance Application Package to Collier County, on behalf

Of Mortgagor(s) _____ and _____ who Lender has approved for a mortgage loan.

1. To the best of the Lender’s knowledge, the information contained in this application package is true and correct.
2. Borrower(s) household income is below 120% of the Collier County area median income adjusted by household size as annually published by HUD/SHIP.
3. The Lender is not aware of any facts or circumstances that would cause it to question the truth or completeness of any portion of the foregoing mortgagor profile.
4. In the course of processing the loan documents for the borrower(s), each investigation undertaken by the Lender has provided no information which would lead the Lender to believe that the application package contains any information that is in any way false or misleading.
5. The processing fees, lender fees, closing costs and interest charged by the Lender are reasonable and customary and will be reviewed and approved by the Collier County Community & Human Services Division prior to closing and may, upon findings, result in disqualification of the Lender.
6. The Lender agrees that the loan origination fee may not exceed \$1,500.
7. The interest rate will not exceed 1% above the Fannie Mae 60 day par pricing for fixed rate loans.
8. Loan will be a fully documented fixed rate mortgage without prepayment penalty, a balloon or ARM.
9. Mortgagor(s) understands the SHIP program limits for Front-End Ratio does not exceed 32% and the Back-End Ratio does not exceed 45%; any exceptions must be approved by the Department of Housing, Human & Veteran Services.
10. All loan funds will be applied to down payment and closing costs and the mortgagor(s) will not receive any portion of the loan funds in cash either before, during or after closing.
11. The borrower has received a firm loan commitment on the property described in the SHIP application which is attached hereto along with the Loan Estimate and Closing Disclosure Documents.

I, _____, on behalf of _____, agree
(Name of Lending Agent) (Lending Institution)

To abide by all of the above Collier County Purchase Assistance Program Lender Guidelines and understand that failure to abide will disqualify me from participation with the program at the discretion of the Community and Human Services Department Director.

Lending Agent Signature Title Date

Business License # _____ EIN# _____



CLOSING AGENT/ TITLE COMPANY INSTRUCTIONS

Closing agent/ Title Company: _____

Address: _____

Phone: _____ Fax: _____

Contact Person: _____

Email: _____

PLEASE NOTE

- The SHIP funds (check) can be picked up by the lender, closing agent or realtor unless other arrangements are made.
- Title Company/Closing Agent must fax or email the following to HHVS **within 24hrs** of the closing to: 239-252-2338 or mandymoody@colliergov.net
 - Final Signed loan application (1003)
 - Copy of Homeowners Insurance (County must be named as second mortgage holder)
 - **Signed** SHIP 2nd Mortgage and Promissory Note
 - Final **signed** Closing Disclosure Documents

- Record SHIP Mortgage with a copy of Promissory note. Original recorded documents (note & mortgage) must be mailed back within 30 days following the closing to:

Community & Human Services Department
3339 E. Tamiami Trail, Suite 211
Naples, FL 34112

- SHIP Loan is subject to Doc Stamps; however, it is exempt from Intangible Tax. SHIP Second Mortgage (3 pages); SHIP Promissory Note (2 pages).



**STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM
PROMISSORY NOTE**

Borrower: John and Jane Doe

123 Main Street	Immokalee,	Fl	34142
(Property Address)	(City)	(State)	(Zip)

1. **BORROWER(S) PROMISE TO PAY:** I/We promise to pay Zero and 00/100 Dollars (\$0.00) (this amount will be called "principal") to the order of Collier County-SHIP or to any other holder of this Note (the "Lender"), whose address is 3339 E. Tamiami Trail, Naples, Florida 34112. I/We understand that the Lender may transfer the Promissory Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder".
2. **INTEREST:** Interest on this Note shall be zero percent (0%) per annum; except that if I/We fail to pay this Note as required, the interest rate shall be twelve percent (12%) per annum from the date when payment of this Note is due until I/We pay it in full.
3. **PAYMENTS:** Payment in full is due upon sale of property within the fifteen year deferred payment loan. If sold after the fifteen year term, no repayment is required. As long as the borrower continues to own and occupy the assisted property during the term of the mortgage, then the loan will not have to be repaid. My/Our total payment shall be U.S. \$0.00.
4. **BORROWER'S RIGHT TO PREPAY:** I/We have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When I/We make a prepayment, I/we will tell the Note Holder in writing that I/we am doing so.

I/We may make a full prepayment or partial prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of the principal that I owe under this Note. If I/We make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes. If I/We make a partial prepayment, there will be no prepayment penalty adhering to or associated with such prepayment

5. **LOAN CHARGES:** If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits; then (i) any such loan charges shall be reduced by the amount necessary to reduce the charges to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me/us. The Note Holder may choose to make this refund by reducing the principal that I/We owe under this Note or by making a direct payment to me/us. If a refund reduces principal, the reduction will be treated as a partial prepayment.
6. **SUBORDINATION:** Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Deed of Trust and to all advances heretofore made or which may hereafter be made pursuant to the First Deed of Trust including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Deed of Trust, curing defaults by the Borrower under the First Deed of Trust or for any other purpose expressly permitted by the First Deed of Trust or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the First Deed of Trust are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Deed of Trust, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Deed of Trust shall receive title to the Property free and clear from such restrictions.

Further, if the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) the Lender has been given written notice of a default under the First Deed of Trust and (ii) the Lender shall not have cured the default under the First Deed of Trust within the 30-day period provided in such notice sent to the Lender.

7. **BORROWER(S) FAILURE TO PAY AS REQUESTED:**

(A) Default

If I/we do not pay the full amount as required in Section 3 above, I/we will be in default. If I am in default, the Note Holder may bring about any actions not

prohibited by applicable law and require me/us to pay the Note Holder's cost and expenses as described in (B) below.

(B) Payment of Note Holder's Cost and Expenses

If the Note Holder takes such actions as described above, the Note Holder will have the right to be paid back for all of its costs and expenses, including, but not limited to, reasonable attorneys' fees.

- 8. **GIVING OF NOTICES:** Unless applicable law required a different method, any notice that must be given to me/us under the Note will be given by delivering it or by mailing it by first class mail to me at the Property Address on Page 1 or at a different address if I/we give the Note Holder a notice of my/our different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) or at a different address if I/we have been given a notice of that different address.

- 9. **OBLIGATIONS OF PERSONS UNDER THIS NOTE:** If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person, who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

- 10. **WAIVERS:** I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

- 11. **UNIFORM SECURED NOTE:** This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protection given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I/we do not keep the promises which I/we make in this Note. That Security Instrument describes how and under what conditions I/we may be required to make immediate payment in full of all amounts I/we owe under this Note. Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred And Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full or all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed, within which Borrower must pay all sums secured by this Security Instrument. If Borrower(s) fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Notwithstanding the above, the Lender's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Deed of Trust.

- 12. **This note is governed and construed in accordance with the Laws of the State of Florida.**

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Borrower Fidel Gonzalez Date

Co-Borrower Date

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RETURN TO: Collier County Community & Human Services Division
SHIP PURCHASE ASSISTANCE PROGRAM
3339 E. Tamiami Trail, Building H, Suite 211
Naples, Florida 34112

SHIP File#:
Revised 10/2012