

Spartanburg County HOMEownership Program PROGRAM GUIDELINES & REQUIREMENTS

July 2020

A New Direction

County's first ongoing HOMEownership Program

In 1996, Spartanburg County established its first HOMEownership Program to provide funds for Downpayment, Closing/Settlement Costs, and Homebuyer Education. This program is made possible with U.S. Department of Housing and Urban Development funds which have been provided to the County by SC State Housing Finance & Development Authority. As funds are recycled, we will continue to assist additional homebuyers on an ongoing basis.

Steps to HOMEownership

1. Meet with Lender for Orientation and/or Pre-Approval
2. Meet with County for Preliminary Eligibility Confirmation
3. Find a Home
4. Property Inspection
5. Final Eligibility Confirmation
6. HOMEbuyer Education
7. Mortgage Processing
8. Loan Closing

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Program Eligibility

The County will verify the following information:

Income

- ◆ The gross amount of income of **all** household members **anticipated** to be received during the coming 12-month period must be less than 80% of area median for family size.

FAMILY SIZE	INCOME
1	\$36,250
2	\$41,400
3	\$46,600
4	\$51,750
5	\$55,900
6	\$60,050
7	\$64,200
8	\$68,350

*HUD Income Limits
Greenville-Spartanburg-Anderson MSA, 6/2020*

Principal Residence *(conditional commitment)*

1. The property to be purchased must be occupied as the homebuyer's principal residence.
2. Property must be located in an unincorporated area of the County (Outside any city limits).
3. Homebuyer cannot own a residence at the time of closing on the property to be purchased.

Purchased Price

The price of the property to be purchased must be less than \$144,336.

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Permanent Mortgage Financing

- ◆ The homebuyer(s) must be able to secure permanent mortgage financing from a conventional lender such as a bank, savings and loan, or mortgage lender.
- ◆ Owner financing will not be accepted.
- ◆ Homeownership must be documented in the form of fee simple title.

HOMEbuyer Education Series

The homebuyer(s) must complete the County's education sessions. These sessions will:

- ◆ Be provided by a Qualified professionals and knowledgeable presenters;
- ◆ Emphasize credit/budgeting, pre-purchase, pre-approval, homeowner's insurance, and home inspection/ maintenance;
- ◆ Recur on quarterly basis; and
- ◆ Childcare is not included (if necessary for parent's attendance) for children.

Property Standards

The property must meet the following requirements:

- ❖ Existing or newly constructed single-family, conventional units. Mobile homes are not eligible.
- ❖ Located in an unincorporated area of the County (OUTSIDE any city limits) and outside any flood area
- ❖ Occupied for residential use
- ❖ Meets appropriate local housing Standards or Codes at time of occupancy
 - Standard Existing Building Code
 - Model Energy Code (for newly constructed units)
 - Lead Based Paint Poisoning Prevention Act
- ❖ County and/or State inspectors will inspect each unit.

All Sales Contracts must include
PROPERTY SALES CONTRACT
CONTINGENCIES.

What We Need

In order to confirm eligibility and offer an Agreement for Program Assistance, the following information must be completed and provided to the County:

- ◆ HOME Program Eligibility Release Form
- ◆ Eligibility Check
- ◆ Copies of check stubs, etc. to verify all income
- ◆ A copy of the conditional commitment letter and Good Faith Estimate of Settlement Costs from your lender
- ◆ A copy of the Sales Contract with County Contingencies as an addendum
- ◆ A copy of the Appraisal
- ◆ A copy of the Termite Inspection Report
- ◆ At least **45 days** prior to the closing date of the loan, the homebuyer should advise the County of the actual amount of downpayment and closing cost assistance to be provided by the County and in what form it shall take.

No closing should be scheduled or held prior to the County's written confirmation that the Homebuyer has met all eligibility requirements.

PUTTING THE PIECES TOGETHER

Our Funds are Flexible!

WITH A MINIMUM \$500 INVESTMENT BY THE HOMEBUYER, our funds can be used in an arrangement which fits the structure of the lender's affordable mortgage product and which is most beneficial to the Homebuyer.

Up to \$5,000.00 is available for each homebuyer to provide assistance with:

- ◆ *Downpayment*
- ◆ *Closing/settlement costs*
 - ◆ *Rehabilitation*
- ◆ *Homebuyer education*
- ◆ *Loan servicing.*

These can include reasonable and necessary financing costs such as:

- ◆ private lender fees and loan points
- ◆ credit and title costs
- ◆ recordation fees
- ◆ legal fees
- ◆ appraisal, survey, and pest inspection fees

And other non-recurring items required by the Lender to be paid in advance, such as:

- ◆ first-year private mortgage insurance premium,
- ◆ Hazard Insurance Premium for the First Year,
- ◆ Tax Reserve, and/or
- ◆ Hazard Insurance Reserve.

For example, any "upfront" fees involved in the qualification process, can be credited to the eligible homebuyer's share of the Settlement Costs. ❖

FINANCIAL DESIGN

Prior to providing assistance to the Homebuyer and closing on the mortgage loan, an Agreement for Program Assistance and Loan Agreement will be executed between the County and the Homebuyer.

The Homebuyer must agree to:

- Maintain ownership of the Property as a principal residence for five years.
- Maintain property insurance for five years.
- Cooperate with the County in verifying residency and insurance.
- Repay the County as described below.

Funds shall be provided:

- County provided Downpayment and Closing/Settlement costs: **Deferred, repayable loan.**
 - 5-year, 5% second mortgage
- Payments on repayable loan deferred for six months from date of closing.

If the property is transferred prior to the end of the five-year period:

- The remaining balance owed of the downpayment or closing/settlement cost assistance loan will be due back to the County immediately in the form of cash or cashier's check.
- Once the balance has been satisfied Spartanburg County will release the lien.

Spartanburg County HOMEownership Program

**For More Information On
Homeownership Opportunities in Spartanburg County
Please contact**

Phone (864) 595-5300

Fax (864) 595-5315

**We Support
Equal Housing Opportunity**

Spartanburg County
Community Development Department
9039 Fairforest Road; Spartanburg, SC 29303
P.O. Box 5666
Spartanburg, SC 29301

ADDRESS CORRECTION REQUESTED