



Helping You Achieve Homeownership



Highlands County wants you to obtain the American Dream of home ownership. The Board of County Commissioners has made funds available to help you buy a home for your family.



Call or Visit:
Highlands County Housing Department
501 South Commerce Avenue
Sebring, Florida 33870
863.402.6648

Congratulations!

You have taken the first step to owning your own home! Highlands County Housing Department is an unbiased, County-sponsored agency that knows the programs, products and people throughout Highlands County that can help make your dream of homeownership a reality.



The Eight Steps to Homeownership

Highlands County Housing Department encourages you to follow these eight steps in order, and as completely as possible, to ensure that your loan and home are the best possible fit for you and your family and that your homebuying experience is positive and without stress.

1. Attend a Highlands County Housing Department - sponsored homebuyer education and money skills seminars. These four-hour classes are FREE...
2. Obtain a copy of your credit report. Address any issues and correct any errors in the report as necessary...
3. Do a personal budget and determine how large a monthly payment you can afford and comfortably pay...
4. Research first-time homebuyer and down payment assistance programs that you might qualify for...
5. Interview various lenders that offer the assistance programs you are qualified to receive. Obtain pre-approval...
6. Set realistic priorities for your new home including the neighborhood, number and type of rooms, size of house, etc....
7. Interview experienced real estate professionals that have experience working with first-time homebuyers and decide who to work with...
8. Select and purchase your new home. Congratulations! We hope that you create wonderful memories in your new home.

Homebuyer Subsidy Programs

1. State Housing Initiative Partnership (SHIP) Purchase Assistance Program

Homebuyers, whose adjusted income does not exceed 120% AMI, may be eligible to receive a \$10,000 second mortgage loan for down payment and closing cost assistance.

Example:

Housing unit retails at	\$150,000
SHIP Down Payment Assistance =	\$10,000
Final Mortgage =	\$140,000



2. Homeownership Pool (HOP)

The Highlands County Housing Department (on behalf for the BCC) applied to Florida Housing Finance Corporation to join the HOP. It is an on-going program wherein the County Housing Department reserves funds for eligible homebuyers on a first-come, first-served basis. Homebuyers, whose adjusted income does not exceed 80% AMI, may be eligible to receive a 0% deferred second mortgage loan for the lesser of 25% of the purchase price of the home, \$70,000 or the amount necessary to meet underwriting criteria (new construction only). HOP may be combined with SHIP Purchase Assistance.

Example:

Housing unit retails at	\$150,000
HOP Buy Down =	\$37,500
Final Mortgage =	\$112,500



2. Community Workforce Housing Innovation Program (CWHIP)

CWHIP is a public-private partnership to finance, build and manage workforce housing and requires the coordinated efforts of all levels of government as well as private sector developers, financiers, business interests and service providers.

Eligible Residents:

At least 50 percent of the affordable housing units built using CWHIP funds should be set aside for essential services personnel. Essential services personnel is defined by Highlands County BCC to could include teachers, educators, Eighty (80%) percent of the units built using CWHIP funds should be available to households earning incomes up to 140 percent of area median income (AMI). This program may serve a broad range of incomes up to 140 percent of AMI.

Example:

Housing unit retails at	\$150,000
CWHIP Buy Down =	\$50,000
Final Mortgage =	\$100,000

Program Income Guidelines (Annual Income Adjusted for Family Size)

	HOP	SHIP	CWHIP
	50% of MFI	120% of MFI	140% of MFI
Family Size	Very Low Income	Moderate Income	Workforce Income
1 Person	\$16,150.00	\$38,760.00	\$45,220.00
2 Persons	\$18,450.00	\$44,280.00	\$51,660.00
3 Persons	\$20,750.00	\$49,800.00	\$58,100.00
4 Persons	\$23,050.00	\$55,320.00	\$64,540.00
5 Persons	\$24,900.00	\$59,760.00	\$69,720.00
6 Persons	\$26,750.00	\$64,200.00	\$74,900.00
7 Persons	\$28,600.00	\$68,640.00	\$82,080.00
8 Persons	\$30,450.00	\$73,080.00	\$85,260.00

Notes: The Income limits listed above shall be used for FY2006-2007 and shall be amended for respective fiscal year, based on income limits to family size provided by the Florida Housing Finance Agency.



Questions and Answers

Who is eligible for these programs?

Applicants who make less than 140% of the median income for Highlands County may apply for assistance. You must attend a Homebuyer Training and a Money Skills class in order to receive assistance.

Do I have to be a first time homebuyer to qualify for the purchase assistance programs?

Only the SHIP program requires you to be a first time homebuyer. However, a first-time homebuyer is defined as not having owned a home or mobile home during the past three years. The three-year waiting period does not apply to legally divorced individuals providing that the applicant no longer has an interest in the marriage residence or any other commonly owned home. The first-time homebuyer requirement may be waived at the discretion of the County.

What kind of home can I buy?

Any type of home is eligible for this program. Only HOP will allow the purchase of a mobile home. Condominiums and town houses are also eligible. Properties may be purchased anywhere within the County and the two cities or town.

Is there a maximum purchase price allowed under these programs?

The maximum purchase price for an existing home or a new home cannot have a sales price that exceeds \$189,682.

How do I apply for assistance?

In order to apply for assistance, you must apply through one of the local financial lending institutions within the County. Almost all banks, savings and loans, and mortgage companies that do business in Highlands County are partners with the County in these programs. When you apply for a mortgage loan at one of these financial institutions, they will make an initial determination on whether you need gap financing and are eligible for program funds. If you are eligible, the lender will contact the Housing Department to reserve funds in your name. You will need to apply through the Housing Department for all except SHIP funds.

How much County money can I borrow?

The amount of County funds that are available first depends on how much the financial institution is able to lend you and how much gap financing you will need to purchase the home. As shown on in the examples on page 4, SHIP can loan up to \$10,000, HOP as much as 25% of the purchase price and CWHIP up to \$50,000 for mortgage buy down.

Can the home be financed by a private individual?

These programs cannot help you purchase an "owner-financed" home.

How can I know if I can afford to make the payments on a house?

Your Mortgage Payment which includes Principal, Interest, Insurance and Taxes must not be more than 30% of your income. Check to see if you can qualify using the Pre-Qualification Test and Monthly Mortgage Payments tools provide on pages 6 and 7. You could also see your Lender and ask them to Pre-Qualify you for a home mortgage.

What should I do first?

Call the Housing Department to sign up for Homebuyer and Money Skills Training Classes. These classes are provided by the Board of County Commissioners at no charge. To enroll in classes, call 863.402.6648.

Classes in English are every First (Home Buyers Seminar) and Second (Money Skills Seminar) Thursday of every Month: 5:30 PM to 9:30 PM, Agri-Civic Center (Auditorium), 4509 W. George Blvd., Sebring, FL



Classes in Spanish are every First (Home Buyers Seminar) And Second (Money Skills Seminar) Saturday every Three Months: 8:00 AM to 12:00 PM, 501 S. Commerce Ave., Sebring, FL

What should I do if I have credit problems?

If you have credit problems or if a financial institution has refused you a mortgage because of your credit history the Highlands County Housing Department will provide one on one homebuyer/credit counseling. In order to obtain counseling, you will need a copy of your credit report from one of the three consumer credit reporting companies. Free credit reports can be obtained on line at <https://www.annualcreditreport.com>. To receive free one-on-one counseling, call the Housing Department for an appointment at 863.402.6648.

EQUIFAX/CBI
PO Box 105873
Atlanta, GA 30348
1.800.685.1111
www.equifax.com

EXPERIAN
National Consumer Assistance Center
PO Box 2002
Allen, TX 75013
1.888.397.3742
www.experian.com

TRANS UNION LLC
Consumer Disclosure Center
PO Box 1000
Chester, PA 19022
1.800.888.4213
www.transunion.com

What will I need to take to the bank when I make application?

The lender may ask for the following documents:

1. Last 2 years W-2's and pay stubs to cover the previous 30 days
2. Landlords address to cover the last 2 years residence or the last 12 canceled checks or receipts to show evidence that you have paid.
3. Name and address of each employer of the last two years. If self-employed, you need the last two years tax returns plus a year-to-date Profit & Loss statement.
4. Last three months bank statement OR names, addresses, account numbers of all assets (checking, savings 401k's, money market accounts etc.)
5. Names, addresses, account numbers, balances, and minimum monthly payment amount on all open loans and revolving charge accounts.
6. Picture ID.
7. Social Security cards for all members of household.



What if I don't earn enough money to qualify at a bank?

The USDA Rural Development has programs that may help you obtain a new home such as, programs to help you purchase a re-possessed home and programs to help you by subsidizing your mortgage until you are able to pay the mortgage yourself. Your income will be reviewed annually and as your income increases, the subsidy will decrease. The main office of Rural Development for our area is located in Okeechobee, FL. Their telephone number is 863.763.5507.

How will I know if I am approved for a Homebuyer Subsidy Program?

If the lender feels that you are qualified they will no doubt call you to let you know. They will also reserve funds by faxing us at 863-402-6910 and sending us a copy of the application, good faith estimate, profile sheet, photo ID, and authorization to release. Once the lending institution and the Subsidy Program have issued a commitment letter then TOGETHER they will set a closing date.

PRE-QUALIFICATION TEST

Monthly Gross Income	
Borrower's Income	\$ _____
Co-Borrower's Income	+ _____
Total Gross annual income	\$ _____
Divide total gross income by 12	_____
Total monthly gross income	_____
Allowable Monthly Housing Cost (A)	
Total monthly gross income	\$ _____
Multiply by 28% (30% SHIP)	x _____
Allowable monthly housing cost	\$ _____ (A)
Mortgage Amount	
Home purchase price	\$ _____
Down payment	_____
Mortgage loan amount	\$ _____
Monthly Taxes and Insurance	
Home purchase price	\$ _____
Multiply by .0025 (local price vary)	x _____
Estimated monthly taxes and insurance	\$ _____
Monthly Housing cost (B)	
Monthly payment on 30-year loan	_____
Estimated monthly taxes and insurance	+ _____
Condo or homeowner's fee (if applicable)	+ _____
Total monthly housing cost	\$ _____ (B)
Allowable Monthly Debt (C)	
Total monthly gross income	\$ _____
Multiply by 36% (40% SHIP)	x _____
Allowable total monthly debt	\$ _____ (C)
Other Monthly Debt payments	
Car payment	\$ _____
Credit Card(s) payments	+ _____
Student loan(s)	+ _____
Other	+ _____
Total monthly debt payments	\$ _____
Total Monthly Debt (D)	
Total monthly housing cost	\$ _____
Total other monthly debt	\$ _____
Total monthly costs	\$ _____ (D)

Monthly Mortgage Payments

-year fixed rate loan													
Loan Amount	Interest Rate												
	6%	6 1/2%	7%	7 1/2%	8%	8 1/2%	9%	9 1/2%	10%	10 1/2%	11%	11 1/2%	12%
\$20,000	119.91	126.41	133.06	139.84	146.75	153.78	160.93	168.17	175.51	182.95	190.47	198.06	205.72
\$25,000	146.89	158.02	166.33	174.80	183.44	192.23	201.16	210.21	219.39	228.69	238.08	247.57	257.15
\$30,000	179.87	189.62	199.59	209.76	220.13	230.67	241.39	252.27	263.27	274.42	285.70	297.09	308.58
\$35,000	209.84	221.22	232.86	244.73	256.82	269.12	281.62	294.30	307.15	320.16	333.31	346.60	360.01
\$40,000	239.82	252.83	266.12	279.69	293.53	307.57	321.85	336.34	351.03	365.90	380.93	396.12	441.45
\$45,000	236.80	284.43	299.39	314.65	330.19	346.01	362.08	378.38	394.91	411.63	428.55	445.63	492.88
\$50,000	299.78	316.03	332.65	349.61	366.88	384.46	402.31	420.43	438.79	457.37	476.16	495.15	514.31
\$55,000	329.75	347.64	365.92	384.57	403.57	422.90	442.54	462.47	482.66	503.11	523.78	544.66	565.74
\$60,000	359.73	379.24	399.18	419.53	440.26	461.35	482.77	504.51	526.54	548.84	571.39	594.18	617.17
\$65,000	389.71	410.84	432.48	454.49	476.95	499.79	523.01	546.56	570.42	594.58	619.01	643.69	668.60
\$70,000	419.69	442.45	465.71	489.45	513.64	538.24	563.24	588.60	614.30	640.32	666.63	693.20	720.03
\$75,000	449.66	474.05	498.98	524.41	550.22	576.69	603.47	630.64	658.19	686.05	714.24	742.72	771.46
\$80,000	479.64	505.65	532.24	559.37	587.01	615.13	643.70	672.68	702.06	731.79	761.86	792.23	822.89
100,000	599.55	632.07	665.30	699.22	733.77	768.91	804.62	840.85	877.57	914.74	952.32	990.29	1,028.61
105,000	629.53	663.67	698.57	734.18	770.45	807.36	844.85	882.90	921.45	960.48	999.94	1,039.81	1,080.04
110,000	659.51	695.27	731.83	769.14	807.14	845.80	885.08	924.94	965.33	1,006.21	1,047.56	1,089.32	1,131.47
115,000	689.48	726.88	765.10	804.10	843.83	884.25	925.32	966.98	1,009.21	1,051.95	1,095.17	1,138.84	1,182.90
120,000	719.46	758.48	798.36	839.06	880.52	922.70	965.55	1,009.03	1,053.09	1,097.69	1,142.79	1,188.35	1,234.34
125,000	749.44	790.09	831.63	874.02	917.21	961.14	1,005.78	1,051.07	1,096.96	1,143.42	1,190.40	1,237.86	1,285.77
130,000	779.42	821.69	864.89	908.98	953.89	999.59	1,046.01	1,093.11	1,140.84	1,189.16	1,238.02	1,287.38	1,337.20
135,000	809.39	853.29	898.16	943.94	990.59	1,038.03	1,086.21	1,135.15	1,184.72	1,234.90	1,285.64	1,336.89	1,388.63
140,000	839.37	884.90	931.42	978.90	1,027.27	1,076.48	1,126.47	1,177.20	1,228.60	1,280.64	1,333.25	1,386.41	1,440.06
145,000	869.35	916.50	964.69	1,013.86	1,063.96	1,114.92	1,166.70	1,219.24	1,272.48	1,326.37	1,380.87	1,435.92	1,491.49
150,000	899.33	948.10	997.95	1,048.82	1,100.65	1,153.37	1,206.93	1,261.28	1,316.36	1,372.11	1,428.49	1,485.44	1,542.92
155,000	929.30	979.71	1,031.22	1,083.78	1,137.34	1,191.82	1,247.17	1,303.32	1,360.24	1,417.85	1,476.10	1,534.95	1,594.35
160,000	959.28	1,011.31	1,064.48	1,118.74	1,174.02	1,230.26	1,287.40	1,345.37	1,404.11	1,463.58	1,523.72	1,584.47	1,645.78
165,000	989.26	1,042.91	1,097.75	1,153.70	1,210.71	1,268.71	1,327.63	1,387.41	1,447.99	1,509.32	1,571.33	1,633.98	1,697.21
170,000	1,019.24	1,074.52	1,131.01	1,188.66	1,247.40	1,307.15	1,367.86	1,429.45	1,491.87	1,555.06	1,618.95	1,683.50	1,748.64
175,000	1,019.24	1,074.52	1,164.28	1,226.63	1,284.09	1,345.60	1,408.09	1,471.49	1,535.75	1,600.79	1,666.57	1,733.01	1,800.07
180,000	1,079.19	1,137.72	1,197.54	1,258.59	1,320.78	1,384.04	1,448.32	1,513.54	1,579.63	1,646.53	1,714.18	1,714.18	1,851.50

INSTRUCTIONS FOR PURCHASING AN EXISTING HOME (REHABILITATION)

The Housing Department encourages the purchase or construction of new homes. However, if you have decided to purchase an existing home you should be aware that the existing home that you select must be in "Code Compliance" meaning that all repairs have been made and there is little or no work to be done for the home to remain in good repair over a reasonable period of time.

If your lender cannot include the cost of repairs in your mortgage, then only the SHIP program can provide some assistance. SHIP funds cannot be used for maintenance such as painting of the exterior or interior of the home, replacement of carpet, purchase of appliances or air conditioning. If a Physicians note is presented as part of your application, air conditioning can be considered.

ADDITIONAL APPLICATION INSTRUCTIONS

1. The home must be inspected by a licensed contractor or a home inspection service. Anyone performing this service must have insurance and have license to conduct inspections. The inspection report must state that if all the items noted are repaired then the home will meet Florida Minimum Housing Standards.
2. After the inspection report is issued, a minimum of two bids are required to repair the problems.
3. The Buyer must sign an "Acceptance of Proposal" form listing the bid(s) that you have selected.
4. Once the repairs are completed the original inspector will be ask to go back and re-inspect the repairs to make sure they were completed correctly.
5. Any work that cannot be funded with SHIP funds must still be completed. This will require you or the current owner to make these non-fundable repairs. Every existing home application must contain statements about how the non-fundable work will be completed.

Guideline for Home Repair Items

Priority Items: (Items that receive immediate attention)

1. Roof
2. Electrical
3. Plumbing
4. Health and Safety Issues

Usual Repair Items:

1. Cabinets
2. Repairs to walls and floors
3. Repairs to bathrooms and kitchens
4. Repairs to windows and doors
5. Termite treatment

Items that cannot be done:

1. Yard work
2. Repairs to non-living spaces
3. Repairs to out buildings (sheds and garages)
4. Items that provide decorations (cosmetic items)
5. Maintenance only items
6. Painting

