

Highlands County Board of County Commissioners



Helping You Achieve Homeownership



Highlands County wants you to achieve 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 Community
Programs Housing Office
7205 S. George Blvd.
Sebring, Florida 33875
863.402.6648**

Congratulations!

You have taken the first step to owning your own home! The Highlands County Community Programs Housing Office 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

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

1. Interview various lenders that offer the assistance programs you are qualified to receive. Obtain pre-approval...
2. Obtain a copy of your credit report. Address any issues and correct any errors in the report as necessary...
3. Attend a homebuyer education and money skills seminar. You may take the course on-line, or call the Housing Office for participating neighboring counties that offer the homebuyer education classes. The website address to the on-line course is www.homebuyerfunds.com or www.ehomeamerica.org
4. Do a personal budget and determine how large a monthly payment you can afford and comfortably pay...
5. Research first-time homebuyer and down payment assistance programs that you might qualify for...
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 Program

1. Purchase Assistance Program

The Housing Department encourages the purchase 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. **SHIP funds cannot be used for repairs of the home.**

The home must be inspected by a licensed contractor or a home inspection service. Anyone performing this service must have insurance and, at a minimum, a County license to do the work. The inspection report must state that if all the items noted are repaired then the Home will meet Code Standards. A copy of the inspection report must be turned over to the Housing Department. If repairs are needed, you, the buyer, or the current owner are to make these unfunded repairs. Every existing Home application must contain statements about how the unauthorized work will be completed. The original Home Inspector will re-inspect the home after you make the arrangements for the repairs.

2. State Housing Initiative Partnership (SHIP) Purchase Assistance

Homebuyers whose adjusted income does not exceed 120% Area Median Income (AMI), may be eligible to receive up to a \$15,000 with a 2% interest, second mortgage loan for down payment and closing cost assistance.

Example:

Housing unit retails at	\$150,000
SHIP Down Payment Assistance	\$15,000
Final Mortgage	\$135,000

Program Income Guidelines (Annual Income Adjusted for Family Size)

INCOME LIMITS ADJUSTED TO FAMILY SIZE: March 31, 2016					
Family Size	Extremely Low Income 30%	Very Low Income 50%	Low Income 80%	Moderate Income 120%	Work Force 140%
1 Person	\$11,880.00	\$15,900.00	\$25,450.00	\$38,160.00	\$44,520.00
2 Persons	\$16,020.00	\$18,200.00	\$29,050.00	\$43,680.00	\$50,960.00
3 Persons	\$20,160.00	\$20,450.00	\$32,700.00	\$49,080.00	\$57,260.00
4 Persons	\$22,700.00	\$22,700.00	\$36,300.00	\$54,480.00	\$63,560.00
5 Persons	\$24,550.00	\$24,550.00	\$39,250.00	\$58,920.00	\$68,740.00
6 Persons	\$26,350.00	\$26,350.00	\$42,150.00	\$63,240.00	\$73,780.00
7 Persons	\$28,150.00	\$28,150.00	\$45,050.00	\$67,560.00	\$78,820.00
8 Persons	\$30,000.00	\$30,000.00	\$47,950.00	\$72,000.00	\$84,000.00



Questions and Answers

Who is eligible for these programs?

Applicants who make less than 120% 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?

The SHIP program requires you to be a first time homebuyer. A first-time homebuyer is defined as not having owned a home or mobile home during the past three years. This requirement 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.

What kind of home can I buy?

Any type of home other than a mobile or manufactured home is eligible for this program. Properties may be purchased anywhere within Highlands County.

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. Applicants must show that they have received the maximum loan percentage from the lender and have put in the required contribution of their own funds into the purchase. If you are eligible, the lender will contact the Housing Office to reserve funds in your name. You will need to apply through the Housing Office 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 \$15,000 with a 2% interest.

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 various lenders and obtain pre-approval.

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 Empowerment Alliance of South West Florida 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 Empowerment Alliance for an appointment at 239-658-3315.

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 West Palm Beach, FL. Their telephone number is 561-792-2727.

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 email to lcastill@hcbcc.org or 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

