PROGRAM ADMINISTRATION

The Office of Strategic Planning, through its neighborhood based partners, will administer and implement the Down Payment and Closing Cost Assistance (DPCC) / First Time Home Buyers Program. The City receives CDBG funds from the federal Department of Housing and Urban Development and uses these funds to provide assistance to first time homebuyers. Loan funds will be issued through the City of Buffalo Urban Renewal Agency. Applications must be submitted to the Office of Strategic Planning not less than eight weeks before the projected closing date.

Purpose

The goal of the DPCC / First-Time homebuyer’s Program is to expand home-ownership opportunities by providing financial assistance to low and moderate income first-time homebuyers for closing costs related to the purchase of their first home. Funds are provided as an interest-free conditional grant/loan with a five-year term that is secured by a second mortgage on the property. You need not make any monthly payments toward this loan unless your home is sold, or transferred before the end of the term. In those cases, the full amount of the loan will have to be repaid. If you reside in the property as your principal residence for the full five years, and meet all other program obligations, at the end of the five-year term, the loan will be forgiven.

Eligibility

1. The applicant must be an income-eligible first-time homebuyer, that is, an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home (see Definitions, below).
2. The property must be an eligible one-family dwelling located in the City of Buffalo that is in generally good condition with no major housing code violations or lead based paint hazards and must be verified as seller occupied.
3. Verification of household income must be supplied. To qualify, applicant households must meet the federal income guidelines for low income households (50% AMI to 80% AMI).

No application will be processed until all necessary, required documents for the program are submitted to the Office of Strategic Planning Division of Housing staff.

Financial Assistance Limits and Terms

Funding will be provided as a deferred payment, zero percent interest (0%) loan/conditional grant of up to $5,000.00. If the purchaser resides in the home for the full five-year term of the loan, the loan will be forgiven and no repayment is required. The assistance will be available to income-eligible homebuyers obtaining mortgage financing for the purchase of a home. The property to be purchased must be located within the legal limits of the City of Buffalo.

Eligibility of Property to be Purchased

1. **Type of Property**: The home to be purchased must be a single family seller occupied (owner-occupied) home, situated on a parcel of land to be owned and occupied by the purchaser as their primary residence. Home should not have been transferred within 24 months of this transaction.
2. **Condition of Property**: The property to be purchased must be in good condition, not in need of repairs and should be in compliance with both federal Housing Quality Standards and City of Buffalo Housing Codes. Any lead based paint hazards must be addressed by the seller and a clearance test must be completed to ensure compliance with applicable federal requirements.

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3. **Property Value**: Pursuant to federal regulations, the sales price of the property to be purchased cannot exceed the HUD Homeownership Value Limits for an existing one-family house in the Buffalo area. The property value limit for 2019 as per the applicable regulations is **$154,000.00** (one-family).

4. **Location**: The property to be purchased must be located:
   - within the legal limits of the City of Buffalo and,
   - outside the established 100-year floodplain.

5. **Other Program Parameters**
   - BURA will provide up to 50% of the down payment required by the lender for the low or moderate-income homebuyer on condition that at least $500 of his/her own money has been invested toward the purchase of the property.
   - Taxes and insurance must be paid through an escrow account with the mortgage lender.
   - The applicant must qualify for a mortgage loan with a mortgage financing institution.
   - The Division of Housing will provide for the loan closing for the DPCC Program funds.
   - *If substantial work is required to bring a property into compliance with local codes, the purchase will not qualify for assistance through the OSP Down Payment and Closing Cost Assistance Program. In such cases, the purchase, closing costs and partial rehab financing may be financed under an existing lender sponsored program such as the 203K or other program.*
   - A visual assessment analysis for deteriorated-lead based paint must be completed by a certified evaluator for each property considered for the program. Any identified hazards must be addressed in accordance with the federal regulations at 24 CFR Par 35 (Lead-based Paint Poisoning Prevention in Certain Residential Structures).

**Pre-Purchase Requirements**

1. Prospective homebuyers must attend the homebuyers workshop/seminar offered through a HUD certified homebuyer training program, including programs available through Belmont Housing Resources of WNY (884-7791), the Urban League (854-7625), West Side Neighborhood Housing Services (885-2344) and HomeFront (856-2952).

2. Purchasers who have completed home buyer training provided through an qualified agency during the twelve month period prior to the date of the contract of sale will not be required to repeat the training, but must submit a copy of the certificate issued by the certified agency.

3. Prospective homebuyer must qualify as a “first time homebuyer”, specifically:
   - **First-Time Homebuyer**
     A First-Time Homebuyer is defined as an individual and his or her spouse who have not owned a property during the three-year period prior to purchase of a home with assistance to be provided under the DPCC program. The term includes any individual who is a displaced homemaker, or single parent.
   - **Displaced Homemaker**
     An individual who, while married, owned a home with his or her spouse or lived in a home owned by his or her spouse during the previous three year period, AND

     - is an adult

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• has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and
• is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment, and
• the prior residence was awarded to the spouse or required to be sold as part of the divorce settlement

Single Parent
An individual who, while married, owned a home with his or her spouse or lived in a home owned by his or her spouse during the previous three years, AND -
• is unmarried or legally separated from a spouse; and
• has one or more minor children for whom the individual has custody or joint custody, or
• is pregnant, and
• the prior residence was awarded to the spouse or partner or was required to be sold as part of the divorce settlement

Closing Costs Covered
• Funds may be used to pay for the down payment assistance and the reasonable and customary closing costs defined in 24 CFR 92.602, including reasonable and necessary costs incurred by the homebuyer with the traditional financing of single family housing acquisition. These costs include, but are not limited to costs to process and settle the financing for purchase of a home, such as private lender origination fees, credit report fees, fees for title evidence and insurance, fees for recordation and filing of legal documents, attorney’s fees, mortgage application fees, appraisal fee, mortgage insurance, filing fees, adjusted city and/or county property, water and sewer taxes, legal fees, search, survey, escrow start up, and points (limited to origination points).
• DPCC funds may NOT be used to complete or pay for any repairs to the property.
• An itemized list of closing costs must be presented. (The Loan Estimate is sufficient at the time of application; a more accurate list will be provided by the lender as part of the monthly payment negotiations).
• Buyer’s financial responsibilities associated with purchase of home at closing, excluding fees paid outside closing (POC).

Any remaining assistance after closing costs must be applied to the principal balance of the mortgage. Loans may not exceed $5,000.00. Any potential “cash out” to the purchaser must be returned to BURA and may not be released to the homebuyer.

Down Payment and Closing Cost Assistance does not cover reimbursement for funds paid prior to closing and Paid outside of closing (POC), for example: 1st year’s homeowner insurance, home inspection, Bank attorney fees etc.
DOWN PAYMENT AND CLOSING COST ASSISTANCE DOCUMENTATION CHECKLIST

Date ______________________

Property Address: __________________________________________________________

Applicant(s): ________________________________________________________________

Phone Number: ___________________________ Email Address: ______________________

Contact of Realtor: __________________________________________________________

Contact of Closing Attorney: _________________________________________________

Contact of Lending Bank: ___________________________________________________

Please note that your application for the financial assistance cannot be processed without copies of **ALL** the documents below:

- Application (To be completed with HOCN)
- Income Documentation for All Household Members, as Noted on the Income Documentation Checklist
- Homebuyer Training Certification
- 1003 Application from the Bank
- Sales Contract
- Mortgage Commitment
- Protect Your Family From Lead In Your Home Pamphlet Receipt (To be completed with HOCN)
- Pre-Contract Agreement or Right to Withdraw Letter (To be completed with HOCN)
- Good Faith Estimate of Closing Costs / Loan Estimate and Closing Disclosure / HUD-1
- Digital Photograph of Property to be Purchased
ATTENTION – DPCC Program Applicants

Your application is not considered to be Complete and ready for presentation to the Program Administrator until all required documentation has been submitted. Please also note that our review of your documentation may lead to a request for additional information if further clarification regarding your status is needed.

You will be advised in writing when your application is complete and we have determined that you are eligible to participate in an OSP sponsored program. If, prior to the closing of your loan/conditional grant, information becomes available that indicates that you do not qualify for assistance, the eligibility determination may be withdrawn.

Down Payment Closing Cost Assistance – Income Documentation List

Current documentation, as applicable, must be provided for all individuals who live with you who are 18 years of age or older.

Proof of Identity:
- Copy of driver’s license
- Proof of Marital Status:
  - If you are divorced or legally separated: A complete copy of your Divorce Decree or Separation Agreement.
  - If your legal spouse has passed: A complete copy of his/her Death Certificate
- If you have children who (will) live in the house with you and who do not appear on your tax return, please provide birth certificates or a custody agreement

Proof of Income:
Please provide, as applicable, the following documentation of your GROSS income –

- Pay statements documenting wages received from each employer (full and part time), including any Reserve Duty or National Guard income, for any and all household members who are employed. Note – You should submit a minimum of eight (8) consecutive pay statements for individuals who are paid bi-weekly and ten (10) statements for individuals who are paid weekly.
- Complete copy of your last year’s federal tax return - i.e. the 1040 form, w-2 statements and all schedules which were submitted with the return. This must be submitted for all applicants who are under 65 years of age who must file based on their total income. For clients with only income from Social Security, (no Pension or any other source of income) we will not require a copy of the tax return if no return is filed.
- Social Security Award letter stating your monthly benefit for the current year (not more than 12 months old)
  If you do not have a recent copy, call Social Security at 1-800-772-1213 and ask them to send you a copy of your current monthly benefit statement.
- Supplemental Security (SSI or SSD) Award letter stating your monthly benefit for the current year (not more than 12 months old)
  If you do not have a recent copy, call Social Security at 1-800-772-1213 and ask them to send you a copy of your current monthly benefit statement.
- New York State Supplemental Program (SSP) Award Letter stating your monthly benefit for the current year (not more than 12 months old)
  If you do not have a recent copy, call Social Security at 1-800-772-1213 and ask them to send you a copy of your current monthly benefit statement.
Current monthly gross pension benefit pay statements (check receipt) (not more than 6 months old)

Current Public Assistance Budget Sheet and an acknowledgement from your caseworker that you have notified Social Services of your intent to purchase a home and a copy of the terms and conditions of any liens which they might attach to the property for benefits paid

Current gross monthly or biweekly Railroad Retirement, and/or Veteran’s benefit statements covering a two month period

Court ordered support letters, for dependent children or for yourself.

Current unemployment benefit statements covering a two month period - including the starting date of payments and the projected end of the benefit year

Current disability benefit statements covering a two month period - including the starting date of payments and any information regarding the continuation or termination of payments

If you are self-employed, an itemized Income and Expense Statement for the most recent quarter YTD, in addition to your filed complete federal tax returns for the last two years, your Business Tax ID Number, and bank statements for the previous six months for your business account(s.) In some cases, the City of Buffalo may request an audited Profit and Loss statement. This information will be supplemented by the most recent two years filed tax returns.

If you are not now employed, have no income at all at this time, have had no income from any source for the past twelve months, and are currently totally dependent on another household member for your support, please provide a detailed notarized affidavit - specific language to be provided by the CBO

Most recent Bank Statements for the previous SIX months for any and all accounts for all household members - You must submit all pages of your statement, no online printouts. If the account is held with another individual who is not a member of your household, please provide evidence (for example, a copy of the driver’s license) that that individual does not reside with you.

Most recent quarterly statement for any 401K, Retirement, Life Insurance, or other benefit accounts you and/or your employer pay into as an investment benefit

A recent copy of a monthly statement for all loans, credit card accounts, or other debts owed/ revolving payments that you are making monthly payments on
Buffalo Urban Renewal Agency
315 City Hall, 65 Niagara Square
Buffalo, New York 14202-3302
716-851-4236
716-851-5168
Byron W. Brown, Chairman

Mortgage Lenders

Bank of America
Samuel Coho
10 Fountain Plz,
Buffalo, NY 14202
Office: (716) 468-2424

Evans Bank
Lisa Akers
2670 Delaware Ave
Buffalo, NY 14216
(716)926-2040 ext. 3984
Cell: 868-5769
email:lakers@evansbank.com

M&T Bank
Shelly Freier
Office: (716) 848-7660
Cell: (716) 352-0106
email: sfreier@mtb.com

SEFCU Mortgage Services
700 Patroon Creek Blvd., Suite 301, Albany, NY 12206
Toll Free: (800) 444-6313
Office: (518) 783-1234
email: sales@sefumortgageservices.com

M&T Bank
Saleem Shabazz
Office: (716) 848-7600
Cell: (716) 417-7777
email: sshabazz@mtb.com

Buffalo Metropolitan Federal Credit Union
62 S. Elmwood Ave
Buffalo, NY 14202
Office: (716) 839-0701
email: ownerschoice@ownerschoice.com

Northwest Bank
Trina Burruss
Regional Vice President
Community Relationship Officer
375 Essjay Road
Williamsville, NY 14221
Office: (716) 730-4240
Cell: (716) 310-0412
Fax: (716) 730-4497

Key Bank
John C. Whiting
3920 Main Street
Amherst, NY 14226
Office: (716) 517-2990
email: John_whiting@keybank.com

Wells Fargo Mortgage
Office: 1-866-754-3484

JGraves@five-starbank.com

Five Stars Bank
Johnathan Graves
Community Development Loan Officer, AVP
Residential Lending
40-50 Fountain Plaza
Buffalo, NY 14202
Cell-716.308.9817 I Fax-716.844.3899
JGraves@five-starbank.com