COMMUNITY HOUSING ASSISTANCE PROGRAM

The Community Housing Assistance Program (CHAP) is intended to educate and serve households that are working towards the purchase of a home within the Flagstaff city limits. CHAP is a downpayment and closing cost assistance initiative that provides up to $15,000 in matching funds to households that do not have sufficient cash to purchase a home, but are otherwise mortgage eligible based on credit & employment.

Through CHAP, up to $5,000.00 of household funds are matched 3 to 1 with up to $15,000 in assistance. Home price may not exceed 100% of the current FHA mortgage limit. Funds will be provided on an as-needed, first come, first served, basis.

CHAP Assistance is a loan that:
- Is secured against the property in second position behind first mortgage (may subordinate behind another approved assistance program).
- Is NEVER forgiven and is repaid when: (1) home is sold, (2) home is refinanced for cash-out, or (3) home is not owner-occupied.

ELIGIBILITY

- Be first-time homebuyers.*
- Home must be located within City of Flagstaff city limits.
- Total household income must not exceed 125% of the Area Median Income (see chart on back). Income from all household members is counted.
- Verification of homebuyer contribution.
- Completion of one-on-one Homebuyer Counseling and online Homebuyer Education.
- Close of escrow must be scheduled to allow sufficient time for Housing Solutions to verify eligibility, review first mortgage for affordability and request funds (typically 45 - 60 days).
- Homebuyer contribution must be at least 1% of the purchase price or $2,000, whichever is greater; remaining buyer contribution can be documented gift.

Loan Requirements:
- Loan to Value Ratio no less than 79% of the purchase price
- Arms-length transaction
- Housing Ratio between 30% - 35%; Debt-to-income ratio not to exceed 45%
- Conforming, fixed rate
- Fees must not be excessive based on industry standards.

Household eligibility is solely determined by certified Housing Solutions Counselors, and must be completed prior to entering into a purchase contract, as a 45-60 day close of escrow is required.

*HUD defines “first-time homebuyer” as “An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married.”
2018 125% Area Median Income Limits

<table>
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<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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April 2018, U.S. Department of Housing and Urban Development

Repayment example

Repayment is based on equity-share formula.

Original Purchase Price: $150,000.00
Original Assistance Amount: $15,000.00
Assistance is 10% of purchase amount

Resale Price: $175,000.00
10% of Resale Price: $17,500.00
Client would repay 10% of sales price

Documents Required to Determine Eligibility:

- 3 most recent (concurrent) paystubs for everyone in the household 18 and over, even if they are not going to be on the mortgage.
- Proof of income for any other income in the household which may include: child support (judgement or print-out from the courts), social security award letters, unemployment, workman’s comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording “for work only” must also bring their legal residence card.
- Signed Income Tax Returns for the most recent 2 years including W-2(s), 1099’s, 1098’s, etc.
- Additional documents may be required by the grant funder.

Household eligibility is solely determined by certified Housing Solutions Counselors, and must be completed prior to entering into a purchase contract, as a 45-60 day close of escrow is required.

Fees

- $14.00 Credit Reports (per homebuyer - if needed)
- $99.00 Online Home Buyer Education Course (discount coupon for active clients)

Contact us

Funding is limited. To schedule an appointment to see if you qualify, contact Housing Solutions at (928)214-7456 or email us at angelak@housingnaz.org.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.