



City of San Marcos

HOMEBUYER ASSISTANCE PROGRAM

Applicant Information

The City of San Marcos promotes Equal Housing Opportunities in accordance with the Federal Fair Housing Act. Individuals who refuse to rent or sell homes to people based on race, color, national origin, religion, sex, familial status, or disability are violating federal law.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to, or treatment or employment in its services, programs, or activities.

Applicants who need assistance with the preparation of the application form, including those who have limited English proficiency, may schedule an appointment time at least 48 hours in advance with City staff by calling 512-393-8224. The type of assistance requested (translator or interpreter, for example) should be explained when calling for the appointment. Assistance with viewing the document can be requested by calling Relay Texas at 7-1-1. Requests can also be sent by e-mail to cdbq@sanmarcostx.gov.

Las personas que tengan dominio limitado del inglés pueden pedir ayuda llamando a la Ciudad al 512-393-8224.

Application packages should be delivered or mailed to the City of San Marcos Development Services – Planning office, located on the 2nd floor of the Municipal Building, 630 East Hopkins, San Marcos TX 78666. Additional information can be obtained by calling 512-393-8224 or at www.sanmarcostx.gov/cdbq under the “housing” tab.

The Homebuyer Assistance Program provides up to \$7,000 to help eligible first-time homebuyers with closing costs and down payment costs. The program can pay 50% of the down payment amount that is required by the primary mortgage and can pay 100% of the allowed closing costs and prepaid items. The homebuyer must expend a minimum of \$800.00 toward the purchase of the home.

This program is funded by the City’s Community Development Block Grant. As a federally funded program, the total household annual gross income cannot exceed the current limits, based on the number of persons who will live in the home. The income limits are attached at the back of this application packet.

Income Calculations: City staff must project the amount of income the household will receive during the next twelve months based on the current income from all sources for each adult living in the household. In addition any wages, salary, and tips received by children 15 and older must be included. The full description of what is included in the annual income calculation may be reviewed in the Policies and Procedures Manual.

Loan Terms: The Homebuyer Assistance is provided in the form of a second-lien, five-year, zero-interest forgivable loan. Provided the home remains the applicant's homestead, no monthly payments are required and the loan balance is reduced by 20% on each anniversary date of the loan closing for five years. After the fifth year, the lien is "forgiven" and a release is filed. Failure to occupy the property as the participant's principal residence and/or defaults in payments on the first mortgage, property taxes and/or hazard insurance constitute a default and may result in foreclosure.

Applicant Eligibility: The Policies and Procedures Manual fully details applicant eligibility requirements. The requirements include:

- The applicant's household income cannot exceed the limits established for the family size;
- The applicant must be a first-time homebuyer as defined.
- The applicant must invest a minimum of \$800 into the purchase of the home.
- The applicant must meet the debt-to-income ratios established for the program.
- The applicant cannot have more than \$8,000 in liquid assets (savings, checking, etc.) above those that will be invested into the home purchase.
- The homebuyer must complete a homebuyer education program approved by the City before the loan closes.

Property Eligibility: The Policies and Procedures Manual fully details property eligibility requirements. The requirements include:

- The property must be located inside the San Marcos city limits.
- The property must be a single-family residence which can include condominiums, townhouses, or patio homes.
- Manufactured housing is not eligible for the Homebuyer Assistance Program.
- The house can be new or existing. Houses built before 1978 must pass a Lead-Paint Hazard inspection by a qualified inspector.
- The house must pass a Housing Quality Standards inspection. Any items that fail must be corrected before the loan closes.
- If the home is located in a FEMA flood zone, the homebuyer must purchase and maintain Flood Insurance for the duration of the loan period. Note: flood insurance IS NOT included in standard property insurance policies.
- The house cannot be occupied by renters who will have to move because of the sale. The house can be vacant, occupied by the seller, or occupied by the applicant.

Privacy Act Notice Statement: *The information requested in this form is to be used by the City of San Marcos to determine an applicant's eligibility for a Homebuyer Assistance Loan. It will not be released outside of the division that is administering the program except as required and permitted by law. The Department of Housing and Urban Development (HUD) requires the collection of the information derived from this form to determine the applicant's eligibility for a CDBG-funded program. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval.*

By signing and submitting this application, the applicant authorizes the City of San Marcos homebuyer program staff to obtain information from a third party as may be necessary to process this application for a Homebuyer Assistance Loan.

The applicant has the right to review the file and the information received as part of the application review. The applicant has the right to request correction of information he or she believes to be inaccurate.

Application Check List

This Check List is intended to help the applicant prepare a complete loan application package. Unless otherwise indicated, the documents listed must be submitted for each person who will reside in the home, even if they will not be included on the loan. Copies of the following documents must be provided to the City along with the completed application form.

1. _____ **Application form**, completed, with original signature of applicant and any co-applicants.
2. _____ **Loan Estimate** or loan approval letter from the mortgage lender.
3. _____ **Purchase Agreement** or Residential Resale Agreement signed by Buyer and Seller
4. _____ **Notice to Real Property Owner/Seller** form, completed, with original signature.
5. _____ **Buyer/Seller's Certification of Purchase** form, completed and signed by both applicant and seller
6. _____ **Photo Identification** for all adults 18 and older.
7. _____ **Birth Certificate, U. S. Passport, or Resident Alien Card** for all adults 18 and older.
8. _____ **Zero Income Certification** – Complete this form ONLY if one or more adults in the household receives no income from any source.
9. _____ **Income Tax Returns including W2's** for the past two tax years.
10. _____ **Paystubs** for each adult and minor child fifteen and older. If paystubs are not available, verification must be obtained from each employer.

If the amount does not vary, submit the stubs from the most recent three months.

If the amount varies due to overtime pay, variable hours worked, bonuses, tips, etc., bring all check stubs for the most recent six months.
11. _____ **Financial Statements:**
 - a. **Checking Accounts** – last six statements from all accounts for all household members
 - b. **Savings Accounts** – most current financial statement
 - c. **Certificates of Deposit, Money Market Accounts, stocks and mutual funds, retirement plans, etc.** – most current financial statement.
12. _____ **Social Security, SSI, VA or government assistance** – most current award letter
13. _____ **Documentation to establish income from the following sources:**
 - a. Child support
 - b. Retirement, survivor, or other pensions from companies and unions
 - c. Unemployment compensation
 - d. Public assistance payments
 - e. Self-employment net income
 - f. Regular payments from an estate or trust fund



**CITY OF SAN MARCOS
 HOMEBUYER ASSISTANCE LOAN
 APPLICATION & ELIGIBILITY VERIFICATION FORM**

APPLICANT INFORMATION	
Applicant Name: (Legal Name)	
Co-Applicant: (Legal Name)	
Current Residence Address:	
Co-Applicant Address:	
Preferred Phone Number:	
Other Phone Number:	
E-Mail Address:	

PROPERTY TO BE PURCHASED (MUST BE IN SAN MARCOS CITY LIMITS)	
Property Address: (Street Address)	
Hays Co Appraisal District Property ID # (If known):	R-
Year Constructed:	
Type of Structure:	<input type="checkbox"/> SINGLE-FAMILY OTHER: _____ <input type="checkbox"/> TOWNHOUSE OR CONDOMINIUM
Located in Flood Zone:	<input type="checkbox"/> YES (MUST BE ELEVATED IF IN 100-YR FLOODPLAIN) <input type="checkbox"/> NO
Sales Price:	\$
Seller's Name:	
Broker/Realtor:	
Phone Number:	
Mortgage Lender:	
Contact Name:	
Mortgage Lender Phone:	
Anticipated Closing Date:	

APPLICANT'S PRIOR RESIDENCE 3-YEAR HISTORY	
List the address of each residence lived in by the applicant and each co-applicant during the last three years.	
1.	
2.	
3.	

HOMEBUYER ASSISTANCE ELIGIBILITY:

Please indicate which of the following eligibility criterion qualifies applicant as a first-time homebuyer:

_____ (Write the letter of the eligibility category found below)

A. 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 criteria, they are considered first-time homebuyers)
B. A single parent who has only owned with a former spouse while married.
C. An individual who is a displaced homemaker and has only owned with a spouse. A displaced homemaker is defined as an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family.
D. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
E. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

HOUSEHOLD COMPOSITION	
List everyone who will reside during the next twelve months in the house to be purchased.	
Applicant:	
Co-Applicant:	
Name:	DOB:
Name:	DOB:
Name:	DOB:
Name:	DOB:
Name:	DOB:

Are there any additional residents expected to join this household within the next twelve months (for example, birth, adoption, marriage)?

- No
- Yes If yes, please explain:

Total Number in Household: _____

Are all residents citizens or legal residents of the United States?

- Yes
- No If no, please explain:

ANNUAL INCOME			
Annual income is the gross amount of income of all adults (18 and older) who will reside in the residence that is anticipated to be received during the next twelve months. This includes wages, salaries, tips, alimony, child support, military income, part-time income, Social Security, SSI, TANF, and any other source(s) of income. Food stamps are not considered income. The attached appendix pages provide information on how income is calculated.			
WAGE EARNER NAME	SOURCE OF INCOME	RATE OF PAY/PER ____	PAYMENT BASIS (WEEKLY/MONTHLY)

ASSETS			
Assets are cash or non-cash items that can be converted to cash. When assets are included in the calculation of Annual Income, it is the income earned from the asset – not the value of the asset – that is counted. Assets that must be reported include savings and checking account balances, equity in rental properties, cash value of stocks, bonds, treasury bills, IRA & Keogh accounts, retirement and pension funds, cash value of life insurance policies available before death, personal property held as investments, and lump sum or one-time payments.			
NAME ON ACCOUNT	CHECKING/SAVINGS ACCOUNT & BANK NAME	LAST 4 DIGITS IN ACCOUNT #	CURRENT BALANCE
OTHER ASSETS			
Non-Cash Items that can be converted to cash (such as gems, coin collections, antique cars, boats, etc.)			
ASSET OWNER	TYPE & SOURCE	CASH VALUE	ANNUAL INCOME FROM ASSET

HOW TO DETERMINE IF YOUR HOUSEHOLD IS INCOME-ELIGIBLE

- Find the column with the total number of persons who will reside in the household.
- The total household income (annual adjusted gross income) cannot exceed 80%.
- Eligibility for this assistance is dependent upon the ability to be approved for a mortgage loan; the mortgage-to-income and debt-to-income ratios, and other criteria.

City of San Marcos - FY 2018 Income Limits Summary

Median Family Income: Austin-Round Rock MSA = **\$86,000**



Effective: June 1, 2018

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30%	\$18,100	\$20,650	\$23,250	\$25,800	\$27,900	\$29,950	\$32,000	\$34,100
50%	\$30,100	\$34,400	\$38,700	\$43,000	\$46,450	\$49,900	\$53,350	\$56,800
80%	\$48,200	\$55,050	\$61,950	\$68,800	\$74,350	\$79,850	\$85,350	\$90,850

AFFIRMATIVE ACTION INFORMATION

This information is requested in order to comply with the US Department of Housing and Urban Development's (HUD) requirements. Answers to the following questions are not used to determine eligibility for program assistance. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you elect to not provide this information, please initial below.

_____ I do not wish to furnish the information requested below.
(Applicant Initials)

Head of Household Information

Name: _____

- Male
 Female

Ethnicity of Head of Household: (Choose one)

- Hispanic – A person of Mexican, Cuban, Puerto Rican, South or Central American or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply.
 Non-Hispanic – A person NOT of Mexican, Cuban, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Race of Head of Household: (Choose one):

- | | |
|--|---|
| <input type="checkbox"/> White | <input type="checkbox"/> Black / African American |
| <input type="checkbox"/> Asian | <input type="checkbox"/> American Indian / Alaskan Native |
| <input type="checkbox"/> Native Hawaiian/Other Pacific Islander | <input type="checkbox"/> Asian & White |
| <input type="checkbox"/> Black/ African American & White | <input type="checkbox"/> American Indian / Alaskan Native & White |
| <input type="checkbox"/> American Indian / Alaskan Native & Black/African American | <input type="checkbox"/> Other Multi-racial |

Household Special Needs (includes everyone living in the owner's household):

- One or more people living in this household are elderly (62 or older).
 One or more people living in this household have a disability.

CERTIFICATIONS

- I have received and reviewed the Homebuyer Assistance Program Policies and Procedures.
- I understand that the Homebuyer Assistance loans are granted on a first-come, first-serve basis as funding permits and that submission of this application is not a guarantee of funding.
- I understand that giving incorrect information (a false statement) either deliberately or carelessly in this application or in any other form or statement made by me in connection with this application may be a federal violation that could be punished by a fine and/or may cause the application to be denied. Discovery of a false statement after I have received funding may result in the immediate termination of my loan which would make the entire balance of the loan due and payable immediately in addition to any criminal penalty imposed by law.

By signing this application, I authorize the City of San Marcos homebuyer program staff to obtain information from a third party as may be necessary to process this application for a Homebuyer Assistance Loan.

Applicant Signature

Date

Co- Applicant Signature

Date

NOTICE TO REAL PROPERTY OWNER/SELLER

NOTE: This form must be executed BEFORE an offer is made on a home.

Date: _____

Owner(s)/Seller(s) Name: _____

Buyer(s) Name: _____

Address of Property Under Consideration: _____

Dear Owner(s)/Seller(s):

Property believed to be owned by you is being considered for purchase, as referenced above. Because Federal funds in the form of down payment and closing cost assistance to the Buyer(s) may be used in the purchase of your property, we are required to disclose the following information by the U. S. Department of Housing and Urban Development (HUD) in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA), Section 24.101(b)(2):

1. The proposed sale is voluntary. In the event negotiations fail to result in an agreement, the property will not be acquired by either voluntary purchase or eminent domain.
2. The fair market value of the property is estimated to be \$_____. However, since this transaction is voluntary, current or future negotiations may result in a different price that may be the same, higher or lower than this amount.

An owner-occupant who sells his or her property under these terms does not qualify as a displaced person for relocation payments. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer(s) and the Seller(s), the Seller(s) must be provided the opportunity to withdraw from the agreement.

Any title deficiencies, liens, or encumbrances on the property must be cleared prior to any closing. Generally, this is a cost that is borne by the Seller(s) of the property; however, payment of these costs may be negotiated between the Buyer(s) and Seller(s). **No federal funds can be used to pay these costs.**

Should you have any questions, please feel free to contact: Dalinda Newby, **Community Initiatives Coordinator, City of San Marcos, at 512-393-8224.**

Receipt acknowledged this _____ day of _____, 20____

Seller(s)

Seller(s)

Buyer/Seller Certification of Purchase

Date: _____

Address of Property Being Sold: _____

Buyers Intent to Purchase

I (Buyer) am a private individual interested in purchasing the property located at the above identified address. Please note that I will be applying for federal funds provided under the City of San Marcos CDBG First-Time Homebuyer's Program. Although, federal funds may be involved in this transaction, you (Seller) understand that I do not have authority nor will I attempt to use the threat of eminent domain if we cannot reach a mutual agreement on the sale of the property. I understand approval of this certification by all parties is a condition to receiving funding through this program.

Sellers Certification of Conditions

I (Seller) am the owner of the above identified property and am voluntarily selling the property of my own free will. I certify that the last occupant of the property was not displaced in order to place the property for sale therefore, no displacement has occurred. I understand you (Buyer) will not evoke the threat of eminent domain and therefore; I am not eligible for assistance under the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended. In addition, I recognize the right of the Buyer to withdraw from the escrow contract with no penalty if the Buyer is not approved for this assistance.

I (Seller) certify the property meets one of the following conditions (*check one*):

- _____ Currently is or was last occupied by myself before I placed it on the market to sell;
- _____ Had a previous tenant who moved out voluntarily when their lease expired or was evicted for due cause before the property was placed on the market;
- _____ Is being sold to the current tenant;
- _____ Is real estate owned by this institution which was vacant before a contract of sale was accepted;
- _____ Is new construction;

Buyers/Sellers Acceptance and Authorization of Intent to Purchase

As witnessed by our signatures below, the Buyer and Seller of the above identified property do acknowledge and accept the conditions as set forth in this certification document. We attest to the accuracy of the statements provided. We agree that the sale price offer of \$_____ has been determined as the fair market value of the subject property, based on the unforced willingness of the Seller to sell and the unforced willingness of the Buyer to buy the subject property at the price so indicated.

Buyer: _____ Co-Buyer _____ Date: _____

Seller: _____ Co-Seller _____ Date: _____

Zero Income Certification

To be filled out ONLY if there is an adult member of the household who has no income from any source.

Applicant Name: _____

Household Member Name (if not applicant): _____

A "Zero Income Certification" must be completed and signed by *each* household member age 18 or older who has no income from any of the sources listed below.

WARNING: Title 18, Section 1001 of the U. S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the U. S. Government.

1. I hereby certify that I do not individually receive income from any of the following sources:
 - a. Wages from employment (including commissions, tips, bonuses, fees, etc.)
 - b. Income from the operation of a business;
 - c. Rental income from real or personal property;
 - d. Interest or dividends from assets;
 - e. Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;
 - f. Unemployment or disability payments;
 - g. Public assistance payments other than food stamps.
 - h. Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;
 - i. Sales from self-employed resources (including Avon, Mary Kay, etc.)
 - j. Any other source not named above; AND;

2. I currently have no income of any kind and there is no imminent change expected in my financial status or employment status during the next 12 months.

Applicant's Certification:

Under penalty of perjury, I hereby certify that the information provided in this Zero Income Certification is true, correct, and complete.

Signed: _____

Date: _____

City of San Marcos Homebuyer Assistance Program

RECEIPT OF LEAD-BASED PAINT NOTIFICATION

Under Title X of the Community and Housing Development Act, certain notifications are required in regard to potential and identified hazards of Lead-Based Paint (LBP). All homeowners, homebuyers, and/or tenants should receive the booklet "*Protect Your Family from Lead in Your Home*," which contains information about the hazards of lead-based paint.

This booklet can be found on the City's website in both Spanish and English at www.sanmarcostx.gov/cdbg under the "Housing" tab.

I have received the booklet "*Protect Your Family from Lead in Your Home*."

Applicant Signature

Date

RECEIPT OF HUD SETTLEMENT COST BOOKLET

Shopping for Your Home Loan

The Real Estate Settlement Procedures Act (RESPA) requires that lenders and mortgage brokers provide this booklet to mortgage loan applicants. The booklet can be found on the City's Webpage at www.sanmarcostx.gov/cdbg under the housing tab.

I have received the booklet "*Shopping for Your Home Loan*".

Applicant Signature

Date