

MCKINLEY NEIGHBORHOOD ASSOCIATION NRP APPLICATION

Please submit the following documents at least 30 days prior to your scheduled closing date:

- Application Form (attached)
- Government Monitoring Addendum (attached)
- Data Privacy Act Statement (attached)
- Authorization to Release (attached)
- Subordination Disclosure (attached)
- Copy of a current photo ID for all applicants
- Executed Purchase Agreement – most recent copy
- Uniform Residential Loan Application
- Good Faith Estimate

After all of the above documents have been received by the *HousingResource* Center and your application has been processed, McKinley Neighborhood funds will be reserved.

Once funds are reserved, the following documents must be received at least 10 days before closing:

- Lender Closing Certification
- Lender Request for Check
- Title Commitment
- Appraisal
- Lender Commitment Letter
- Home Stretch Class Certificate

Loan consultants are available to advise and answer questions about the program. For assistance call: 612-588-3033

SUBMIT COMPLETED DOCUMENTS TO:

***HousingResource* Center
2148 44th Ave N
Minneapolis, MN 55412
612-588-3033**

PROGRAM GUIDELINES

<h3>McKinley: Home Buyer Assistance Program</h3>
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PROGRAM OVERVIEW: The purpose of McKinley's Home Buyer Assistance Program is to encourage home ownership by providing down-payment assistance and/or closing cost assistance to buyers who purchase an eligible property in the McKinley neighborhood.

1. **Loan Pool:** \$80,000 in NRP funds is available. The NRP loan pool will be augmented by funds provided by the Family Housing Fund.
2. **Income Limits:** There are no minimum or maximum income limits for participants.
3. **Eligible Properties:** An owner-occupied single family home, duplex, townhouse, or condominium unit that will be the buyer's primary home. *A side-yard that will be combined with a parcel that has an owner-occupied single family home or duplex which will become one homesteaded parcel.* Property must qualify for the homestead property tax classification and be located in the McKinley neighborhood.
4. **Loan Amount:** Maximum NRP loan amount is \$2,000. Maximum total loan amount is \$4,000 with matching funds provided by the Family Housing Fund.
5. **Mortgage Approval:** Applicants must show ability to obtain *fixed-rate* mortgage financing. Adjustable rate mortgages do not qualify for this program. Financing of purchase must be from a qualified financial institution. Rent-to-Own purchasers are not eligible for funds from this program.

The loan may also be offered in combination with a contract for deed financed and held by a nonprofit developer who has developed or renovated the property for resale, provided that the nonprofit developer does not sell the contract for deed without the written approval of the City.

6. **Deferred Loan Interest Rate:** 0%
7. **Deferred Loan Repayment Terms:** No repayment is due to McKinley or NRP if the property owner remains as an owner-occupant for a period of five years following the date of the deferred loan closing. If the purchaser sells the property in the first five years, the deferred loan will be repaid per the following guidelines:
 - 0-11 Months: 100%
 - 12-23 Months: 80%
 - 24-35 Months: 60%
 - 36-47 Months: 40%

- 48 -59 Months: 20%
8. **Eligible Uses of Funds:** The deferred loan money can only be used to assist as down payment money and/or closing cost assistance.
 9. **Application Processing:** All applications will be submitted to the Greater Metropolitan Housing Corporation (GMHC). Completed applications will be processed on a first-come, first-served basis.
 10. **Loan-to-Value Ratio:** Generally, applicants who have a potential “Loan-to-Value Ratio” in excess of 110% will be denied loan financing.
 11. **Loan Security:** All deferred loans will be secured by a mortgage in favor of the City of Minneapolis.
 12. **Disbursement Process:** The following procedures shall apply:
 - a.) The purchaser must notify GMHC of his/her intent to participate in the program. The purchaser must provide an executed copy of the purchase agreement at least 30 days prior to purchasing the property.
 - b.) The purchaser must provide GMHC with a copy of the mortgage loan commitment letter, Good Faith Estimate, and written documentation relative to the loan closing date.
 - c.) From funds made available to GMHC by the City of Minneapolis through the NRP and in accordance with the McKinley Homebuyer Assistance Program, and matching funds from the Family Housing Fund, GMHC will provide a check (not to exceed \$4,000) to the loan closing or title insurance company prior to the loan closing.
 - d.) The purchaser must sign the deferred loan note and mortgage at the loan closing. The loan closing or title insurance company conducting the loan closing will be responsible for recording the mortgage. Documentation of the recording must be sent to GMHC. The purchaser will pay the filing fee.
 - e.) After the loan closing, the purchaser must provide GMHC with written evidence from the loan closing or title insurance company of the use of the home ownership program funds. A copy of a fully executed HUD-1 form, showing the use of these funds, is one example of an acceptable type of documentation.
 13. **Post Purchase Counseling:** Participants in this program are encouraged to attend the post-purchase home maintenance class administered by Neighborhood Housing Services of Minneapolis.
 14. **Subordination of Deferred Loan:** The McKinley home buyer assistance loan is considered a “Special Mortgage” per the terms of Minnesota Statute 988. The mortgage may be subordinated for the purpose of refinancing the first mortgage if the borrower has received mortgage refinance counseling from an approved counselor. Proof of completed counseling must be received by GMHC with any request for subordination.
 15. **Program Timeline:**
 - McKinley Community Approval of Guidelines, Scope & Budget: March 2008

EXHIBIT A-08

- Begin Marketing:
- GMHC begins accepting applications:

April 2008

April 2008

Application Affidavit

1. I/ we am applying to Greater Metropolitan housing Corporation (GMHC), (the "Agency"), under the McKinley Homebuyer Assistance Program (the "Program") for a second mortgage loan in connection with my first mortgage and home purchase. It is understand that the information provided below is a material inducement to GMHC to approve this application for this program. Therefore, as part of this application for the McKinley Homebuyer Assistance Program from GMHC, I/ We state the following:

- a. Legal name(s): _____

- b. Current residence: _____
- c. Telephone: (work) _____ (home) _____

2. The Home being purchased is located in the County of Hennepin, City of Minneapolis at the following address: _____

3. I/We will occupy the home and parcel as my/our principal place of principal within sixty (60) days following the home purchase closing except that in the case of a home purchase and repair transaction, I/We will occupy the home within sixty days (60) of the completion of the construction. I/We will notify Greater Metropolitan Housing Corporation in writing if the home ceases to be my/our principal place of residence.

4. I/We understand the McKinley Homebuyer Assistance Program will be used to help me qualify for the purchase of a home or a side-yard that will be combined with a parcel that has an owner-occupied single family home or duplex which will become one homesteaded parcel.

5. I/We understand the McKinley Homebuyer Assistance Program is a deferred loan .

6. No side deal or agreement, either verbal or written, is presently contemplated for the completion of or the addendum to this Home unless the estimated cost of the completion and/or addendum is included in purchase price.

7. I/We understand there are no income limits for applicants for this program.

8. I/We acknowledge and understand that this Affidavit will be relied upon for purposes of determining my /our eligibility for McKinley Homebuyer Assistance Program Loan. I/We acknowledge that a material misstatement negligently made in this affidavit or in any other statement made by me/us in connection with application for a McKinley Homebuyer Assistance Program Loan which affects my/our eligibility for the assistance will result in a denial of my/our application.

Dated: _____

Signature of Applicant(s): _____

Signature of Applicant(s): _____

ADDENDUM TO APPLICATION

McKinley Homebuyer Assistance Program

Information for Government Monitoring Purposes

The information being requested below is for determining compliance with federal equal credit opportunity, fair housing and home mortgage disclosure law. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate on the basis of this information, or on whether you choose to furnish the information. If you choose not to furnish this information and you have made the application in person, we are required to note ethnicity, race and sex on the basis of visual observation or surname. Please check below if you choose not to furnish the information.

DATE OF APPLICATION: _____

APPLICANT	CO-APPLICANT
APPLICANT NAME:	CO-APPLICANT NAME:
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	ETHNICITY: (select only one) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male	GENDER: <input type="checkbox"/> Female <input type="checkbox"/> Male
RACE: (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial	RACE: (select one or more) <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

This Section For Lender Use
<u>Greater Metropolitan Housing Corporation</u>
<u>Application received by:</u> _____ mail _____ face-to-face interview _____ telephone
<u>Staff Name:</u> _____ <u>Date:</u> _____

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

DATA PRIVACY ACT

In accordance with Minnesota Government Data Practices Act the Greater Metropolitan Housing Corporation (GHMC) is required to inform you of your rights regarding the private data collected from you.

Private data, collected from you or from other organizations authorized by you, is used to determine your eligibility for programs administered by GMHC. The use of private data we collect is limited to that necessary for administering programs and providing our services.

You may refuse to provide the requested information. If you do not provide the requested information, you may not be eligible for specific loans, grants or services.

Unless authorized by state or federal law, other government agencies using the reported private data must also treat the information as private. You may wish to exercise your rights as contained in the Minnesota Government Data Practices Act. These rights include:

- 1) The right to see and obtain copies of the data maintained on you
- 2) The right to be told the contents and meaning of data
- 3) The right to contest the accuracy and completeness of the data

I have read and understand the above information regarding my rights as a subject of government data.

Print Name _____

Print Name _____

Date: _____ Signature _____

Date: _____ Signature _____

Print Name _____

Print Name _____

Date: _____ Signature _____

Date: _____ Signature _____

THIS FORM MUST BE SIGNED AND RETURNED WITH THE APPLICATION

AUTHORIZATION TO RELEASE INFORMATION

I have applied for a loan or grant through the Greater Metropolitan Housing Corporation (GMHC), at the HousingResource Center™. As part of the application process, employees of GMHC may verify information contained in my/our loan or grant application and in other documents required in connection with the loan. This verification process can be conducted either prior to closing or subsequent to closing, and may be performed either by employees of GMHC or by independent third parties, as a part of the origination, processing, underwriting, closing or quality control programs of GMHC.

I authorize you to provide to GMHC and to any investor to whom GMHC may sell my loan, to any servicer or any funder of the program for which I have applied, any and all information and documentation that they request. Such information includes, but is not limited to employment history, income; bank, money market and other financial account balances; credit history; copies of income tax returns and property information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Thank you

Print Name

XXX-XX-
Social Security Number – last 4 digits Date

Signature

NOTE: Use a separate form for each individual who is an applicant, guarantor or other individual whose information is considered in the application. Only one person signs each form.

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XXX-XX-
Social Security Number – last 4 digits Date

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Subordination Disclosure

City of Minneapolis

105 5th Avenue South, Suite 200
Minneapolis, MN 55401

You are receiving or have received a loan from the City of Minneapolis. This loan is being closed in the name of the City of Minneapolis (City). If at some future date, you choose to obtain a new first mortgage or other financing that uses your home as security, there are some facts you should know about your City loan that may guide your decision.

The first fact you should know is that most, if not all, lenders will want their new mortgage to have as high a lien position as possible. If your new financing is a refinance of your current first mortgage, when your first mortgage is paid off, the City's loan along with any other financing automatically moves up in lien position and the new mortgage takes the lowest lien position on the title of your property. The only way for your new mortgage lender to obtain a first lien position is to either pay off the City's lien or request and obtain the City's approval to have its loan subordinated. Subordinated means that the City signs an agreement that says it will let its lien move to a lower lien position behind the new mortgage, which allows your new mortgage to move to a higher lien position.

The City will consider each subordination request subject to the *CITY'S SUBORDINATION POLICY* in effect at the time of the request.

The City will not consider a subordination request if any of the following conditions exist:

- ◆ New financing is an open-ended line-of credit
- ◆ Violation of Owner Occupancy requirement

All loan subordinations should be approved by the City prior to the closing of the new financing. The City reserves the right to refuse any subordination request that does not meet the *CITY'S SUBORDINATION POLICY* in effect at the time of the request, or if the request is determined to not be in the City's best interest.

There is a processing/review fee charged for each subordination request.

Borrower _____

Co-Borrower _____

Date _____