

# **CENTRAL NEIGHBORHOOD HOMEBUYER ASSISTANCE 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)
- IRS Form 4506-T (attached)
- Copy of a current photo ID for all applicants
- Copy of 2 most recent paystubs
- Copy of last 2 years Federal Income Tax Returns including W-2's and all schedules
- 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, Sheridan Homebuyer Assistance Program 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: 612-722-7141**

**SUBMIT COMPLETED DOCUMENTS TO:**

***HousingResource* Center  
3749 Cedar Avenue S  
Minneapolis, MN 55407  
612-722-7141**

# CANDO

## Homebuyer Forgivable Downpayment Loan

### PROGRAM GUIDELINES

**Program Overview:** All funds will be in the form of forgivable loans. The program funds will be utilized for downpayment and/or closing cost assistance, providing incentive and assistance to prospective homebuyers to purchase and maintain homes in the Central Neighborhood.

#### **PROPERTY ELIGIBILITY**

**Geographical Restrictions:** Property must be located in the Central Neighborhood of South Minneapolis. Central neighborhood is bounded by Lake Street on the north, 38<sup>th</sup> Street on the south, Interstate 35W on the west and Chicago Ave on the east.

**Property Type:** Residential 1 to 2 unit properties. Properties must be rehabilitated if required by the City to comply with zoning and code requirements. Borrowers must provide a signed contractor's proposal itemizing the cost of repairs prior to closing. Properties must be occupied within 60 days following the closing or in the case of a property that will be rehabilitated after closing, within 60 days following the completion of construction.

#### **BORROWER ELIGIBILITY**

**Ownership Requirement:** Borrower(s) must own the property for a minimum period of five (5) years. Owners may occupy the property or use the property as rental property. Property must be maintained.

**Education Requirement:** Borrower(s) purchasing the home to occupy must register and complete pre-purchase Homebuyer Education Program prior to closing.

**Borrower Contribution:** The amount of the borrower's own funds to be contributed shall be determined by the first mortgage lender. These funds carry no minimum borrower contribution requirement.

**Loan product requirements:** Borrower must qualify for and receive a traditional (prime or A-rated) fixed-rate first mortgage loan or purchase the property using cash.

Cash buyers must demonstrate the financial ability to maintain the home within the same affordability standards as a prime loan recipient. All cash buyers will be underwritten by the Program Administrator using standards approved by CANDO.

## **LOAN PRODUCT DESCRIPTION**

### **Forgivable Loan Amount:**

Maximum: \$5,000 for a standard purchase.

Maximum: \$10,000 for a vacant home purchase. For the purposes of this loan program, a vacant property is defined as any property listed on the city's 249 list of vacant/boarded structures, any city condemned structure or any property that has been foreclosed and is no longer occupied.

### **Interest Rate: 0%**

**Term:** Five Year Deferred, with 100% of the loan to be repaid if the following conditions are not met: continued ownership for five years from date of closing.

**Loan-to-Value Ratio:** Loan-to-value ratio will be consistent with first mortgage loan product requirements.

**Debt-to-Income Ratio:** Debt-to-income ratio will be consistent with first mortgage loan product requirements.

**Eligible Use of Funds:** Down payment and/or closing costs assistance (includes pre-pays) or reduction of the mortgage balance. Funds may not be disbursed directly to the borrower. Funds must be used in the closing of the purchase transaction.

**Loan Security:** All loans will be secured by a lien in favor of City of Minneapolis.

## **APPLICATION PROCESS:**

1. Applicant must apply to GMHC at least 30 days prior to the scheduled closing of the property.
2. GMHC will provide an application package with an application form and detailed instructions on what additional documents must be submitted to apply for the loan. Completed applications will be processed on a first-come-first-served basis until all of the funds are expended.
3. Contractors contracting for work must be properly licensed by the City of Minneapolis or State of Minnesota (when required). Permits must be obtained when required by City ordinance.
4. Weather permitting, all work items required by the city shall be completed within 120 days of the loan closing.
5. Loan origination fees will be paid by the NRP budget for this program.





**ADDENDUM TO APPLICATION**

**Central Neighborhood NRP**

**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
<b>APPLICANT NAME:</b>	<b>CO-APPLICANT NAME:</b>
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
<b>ETHNICITY:</b> (select only one ) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>ETHNICITY:</b> (select only one ) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>GENDER:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male	<b>GENDER:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male
<b>RACE:</b> (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	<b>RACE:</b> (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>
Application received by:    _____ mail    _____ face-to-face interview    _____ telephone
Staff Name: _____ Date _____

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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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.

# Subordination Disclosure

**City of Minneapolis**

105 5<sup>th</sup> Avenue South, Suite 200  
Minneapolis, MN 55401

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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 \_\_\_\_\_

# Request for Transcript of Tax Return

OMB No. 1545-1872

▶ Request may be rejected if the form is incomplete or illegible.

**Tip.** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return.	<b>2b</b> Second social security number or individual taxpayer identification number if joint tax return
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code (See instructions)	
<b>4</b> Previous address shown on the last return filed if different from line 3 (See instructions)	

**5** If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

**GMHC Housing Resource Center - South (612) 722-7141**  
**3749 Cedar Avenue S, Minneapolis, MN 55407**

**Caution.** If the transcript is being mailed to a third party, ensure that you have filled in line 6 and line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ 1040

**a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . .

**b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days. . . . .

**c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days . . . . .

**7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days . . . . .

**8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2007, filed in 2008, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days . . . . .

**Caution.** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

**9 Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

12/31/2010                      12/31/2011                      \_\_\_\_\_                      \_\_\_\_\_

**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

		Telephone number of taxpayer on line 1a or 2a
▶ Signature (see instructions)	Date	
▶ Title (if line 1a above is a corporation, partnership, estate, or trust)		
▶ Spouse's signature	Date	