Down Payment / Homebuyer Assistance
Required Application Documents
January 2014

The following information/documents are required to process a request.

To avoid confusion, these <u>items should be submitted as a complete package</u> by the buyer's lender (incomplete/partial application packages will not be reviewed):

☐ Pre-Purchase Homeownership Certification of participation - Obtain from counseling provider – **APPLICANT MUST ATTEND COUNSELING PRIOR TO APPLICATION**

☐ Household Composition form (COL-01)

☐ Income & Assets Checklist – one for each household member over 18 (COL-02)

☐ Verification of Resources – for each household member over 18, completed form #COL-03 or most recent bank statement

☐ Verification of Earnings – completed form #COL-04 – If applicable

☐ Income Verification. We need verification of **all sources** of income for **all members of the household** including children. Below is a list of some possible income sources and the paperwork needed for each. Call our office if you think you need a form or have questions about the paperwork or you have sources of income not listed. *We are required to collect **<u>TWO</u>** months income documentation.*

Kind of income	**Form to complete and/ or information to provide**
Employment	Verification of Earnings form **and TWO** month's pay stubs
Social Security, SSI, Disability, Work Comp, unemployment, education grants	Letter from appropriate authority stating amount being received
Vet Admin, Active duty pay, GI bill benefits	Letter from Military authority stating amount being received
Family Independence Agency	Verification of Income - FIA form **and** copy of FIA check
Child support, alimony	Verification of Income - FOC form **and** copy of FOC check
Pension	Verification of Income Pension form **and** pension statement
Self employed	See section on income tax return, current YTD ledger

☐ Income Tax Returns. For **each household member over 18 years of age** we need a copy of last year's Federal tax return, including copies of 1040 forms, W-2's, and all attached schedules). If self-employed or seasonally employed, then we need the last two years of tax forms, W-2's and all attached schedules.

All household members' income is needed to determine program eligibility. It does not matter whether all household members will be on the first mortgage or not.
Applicants may be single, divorced or married. DPA Mortgages require married applicants both sign loan documents – it does not matter if the first mortgage is only held in one of their names. Program funds are not available to married applicants that are separated as both parties would not be residing in the property as their principle place of residence.

- ☐ School Verification. If someone in the household is over 18 and a student, they must complete the top portion of the School Verification form, and then take the form to their school for completion. (COL-05)
- ☐ Picture identification copies for **all borrowers**.
- ☐ Social Security card copies for **all household members**.
- ☐ Authorization to Release Information form (DPA-5)
- ☐ Lead Booklet Receipt (DPA-8)
- ☐ Purchase Agreement, including Seller's Disclosure and all addendums
- ☐ Fully executed Good Faith Estimate of closing costs (using MSHDA Closing Costs & Other Fees for eligibility)
- ☐ Uniform Residential Loan Application
  - ☐ No non-occupying co-signers (case by case consideration)
  - ☐ Buyer will be owner-occupying property as their primary residence
  - ☐ Fixed interest rate
  - ☐ Interest rate is not more than 2% above that of current FHA rate
  - ☐ Underwriting approval document
  - ☐ Taxes and insurance are escrowed
  - ☐ Income to housing, including escrows does not exceed 33% of buyer's gross monthly income
  - ☐ Total monthly fixed debt to income does not exceed 45% of buyer's gross monthly income
  - ☐ Household assets are less than $7,500 (see manual for details)
- ☐ Name, phone number, and fax number of Buyer's Agent and Lender
- ☐ Proof buyer is contributing at least $500 towards the purchase. This can be a combination of EMD & funds brought to the table at close. Does not including pre-paids, etc.
- ☐ Inspection Request (DPA-9) It is not mandatory that this document be signed; however, items listed on this form should be addressed prior to our office inspecting the property.
- ☐ Name, phone number, location & email of title company conducting closing.
- ☐ Indicate if applicant is coming from subsidized housing and/or receiving governmental assistance and what type (HOME TBRA, Sec 8, etc.) See Household Composition Form
- ☐ Copy of Title Commitment, Schedule A only
- ☐ Copy of Appraisal

NOTE: Some of the required forms are program specific documents, and must be signed prior to submittal for application.

If application is accepted by city, the following items are needed prior to closing:

- ☐ Notification to Seller form (DPA-2) – Seller(s) must fill out and sign
- ☐ Occupancy/Vacancy Certification (DPA-3) – Seller(s) must fill out and sign.
- ☐ Funding Statement (DPA-6) – Requires signature of Buyer(s), Seller(s), Lender, and Buyer's Agent
- ☐ Any additional addendums/changes to the Purchase Agreement, including loan docs, GFE, etc. need to be submitted prior to release of funds, note & mortgage.

The following can be submitted with the post-closing package

- ☐ Copy of buyer's certificate of insurance listing city as additional mortgagee
- ☐ Copy of signed loan application (1003)

Required documents to be submitted to:
City of Lansing Development Office, 316 N. Capitol Avenue, Suite D-2, Lansing, MI 48933-1234
(517) 483-4040 Fax: (517) 483-6036

THE CITY OF LANSING RESERVES THE RIGHT TO CHANGE REQUIRED DOCUMENTATION AS NECESSARY.