



S.H.I.P.

Alachua County Department of
Community Support Services
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<http://alachuacounty.us/Depts/CSS/Pages/CommunitySupportServices.aspX>

APPLICANT GENERAL ELIGIBILITY

First time homebuyer: Defined as persons or households who have not owned a home other than a mobile home or manufactured home during the three-year period immediately prior to purchasing a home using **S.H.I.P.** funds. The exception to this rule applies to persons who fall under the following category:

- Single Parent
- Displaced homemaker or displaced from homeownership by divorce
- An individual or household living in a substandard dwelling that cannot be brought into compliance with local building and housing codes for less than the cost of constructing a permanent structure.

Income eligibility: Applicant's total gross income, in combination with the income of ALL household members, may not exceed 80% of the area medium income. (Effective 3-30-18)

<i>◆Income limits are subject to revisions by the Florida Housing Finance Corporation which are published on May or June of each year. ◆</i>		
Household size	Very Low Income (30% to 50% of AMI)	Low Income (51% to 80% of AMI)
1	*Up to - \$25,000	Up to - \$39,950
2	* Up to - \$28,550	Up to - \$45,650
3	* Up to - \$32,100	Up to - \$451,350
4	*Up to - \$35,650	Up to - \$57,050
5	*Up to - \$38,550	Up to - \$61,650
6	*Up to - \$41,400	Up to - \$66.200
7	*Up to - \$44,250	Up to - \$70,750
8	*Up to - \$47,100	Up to - \$75,350

Income documentation: Written VOE (**NO PAYSTUBS**), 6 months bank statements for checking, most recent statement for savings, 401k, CD's, or other investment accounts. If self-employed, tax returns for the most recent two consecutive years. **Obtaining the written Verification of Employment (VOE) is the lender's responsibility.**

Home Buyer Education Certificate: Applicants are required to participate in a home buyer's education class provided by a HUD approved agency and obtain a certificate of completion.

Property type: Single-family residences, townhomes, Condominiums, and manufactured homes 2 years or newer.

Property Inspection: The subject property must be inspected by a ***S.H.I.P.*** approved inspector and any repairs required to meet the minimum housing code must be corrected before closing by the seller, or after closing utilizing our assistance if the cost does not exceed the award maximum per household.

Buyer's contribution: Buyer's required contribution can be gifted funds if the first lien holder (The Lender) allows it. Buyer's contribution is based off of the 1st mortgage guidelines.

Purchase price may not exceed: **\$160,000.00**

Maximum Award Amount: **\$10,000** which can be utilized to cover down payment, closing cost, or eligible repairs. This amount can be divided however it is needed.

Recapture terms: Funding will be provided in the form of a 10 year soft second mortgage with no interest and no monthly payments forgivable after 10 years. However, funds will become due in full in the event of refinance, transfer of title, or if the homeowner no longer occupies the property as his/her primary residence.

2018 LENDER GUIDELINES

DOWN PAYMENT ASSISTANCE PROGRAM 1st MORTGAGES

- Financing must be by institutional lenders or 501.c.3 non-profit agencies whose primary mission is providing affordable housing. (SHIP Certified)
- No Seller Financing
- Lender Must Be Certified by County SHIP Program (We will provide training opportunities).
- Fixed Interest Rate Loans – **No ARM's, No Balloon Payments**
- 30-Year Maximum Amortization (with the exception of USDA which can be up to 33-years)
- No Prepayment Penalties
- Property Taxes & Hazard Insurance Must Be Escrowed
- Maximum Debt Ratios – 36% MAXIMUM Front End; NO EXCEPTIONS
42% Back End; exceptions may be considered on a case-by-case basis¹
- Interest Rate – Fannie Mae 30 year/60-day RNY plus 4%
- Maximum loan to value will be determined by the Lender Loan Program with a maximum CLTV of 105%
- Lender Fees not to exceed 3% of loan value (application fee, appraisal review, closing fee, commitment fee, discount points, doc prep fee, origination fee, processing fee, underwriting fee, partner fee, mortgage broker fee, administration fee).
- The full amount of the available SHIP assistance for which the client is eligible, should be used when purchasing an existing home. Funds need to be used for closing costs, down payment and minor rehabilitation. No cash back to the borrower is allowed, up to \$500 may be used for principal reduction of the 1st mortgage.
- Any exceptions must be justified and documented and **must be approved** by the SHIP

¹ The County will allow for a short term increase in the percentages, not exceed ten months

Administrator.

REQUIRED PRIOR TO REQUESTING SHIP FUNDS BY SHIP OFFICE

- Final Closing Disclosure reflecting **NO CASH** back to Buyer, meet SHIP requirements and seller concessions reflected as per contract
- Lender Final Approval or Clear to Close (may be in the form of an email from the underwriter).
- Copy of Permits and Final Closeout of permit if repairs completed prior to closing (if applicable). Licensed contractors
- Copy of Final Inspection from SHIP Certified Inspector if repairs completed prior to closing
- Title Company/Attorney wire instructions or EFT authorization (must be set up as a vender in our system)
- Agreement between buyer and contractor if repairs are to be done with SHIP funds
- Any other items as requested by the SHIP Program Coordinator.

CONSTRUCTION PROHIBITIONS

The purpose of the SHIP funds is to provide safe, decent, sanitary housing and homeownership opportunities. The following rules will apply:

- No garden or jacuzzi tubs are allowed in new construction or rehab, only standard tubs are to be used in these projects. Exceptions – handicapped equipped.
- Barreled tile roofs, metal roofing, slate, etc., are not permitted.
- No lead base paint may be used.
- Lake Front housing, new or existing, is not permitted.
- New or existing homes may not have amenities such as tennis courts, pools, new or existing, exception are above ground pools.
- The tennis court and pool prohibition does not extend to condominiums.
- Property on more than 1-acre lots will not be eligible for funding.
- No more than a two-car garage is permitted. On rehab properties, only occupiable space will be rehabilitated except to correct a health hazard. Attached.
- Multi-family units, defined as an apartment, duplex or garage apartment are not eligible for homeownership. Exterior doors must be solid core steel or wood. Interior doors are to be hollow core. (New Construction)
- No metal bars are allowed on windows or doors.
- Fencing may be constructed only as required by code/ordinance on new construction.
- Properties located in Flood Plain or Wetlands not eligible for participation
- Clients must use their funding first; SHIP will not supplant other funds. This includes saving, money market, retirement etc.
- Rehab properties no appliance repaired or replaced, fencing, tree removal or augmentation, detached structures, cosmetic.

TIMELINE TO PROCESS SHIP FUND DISBURSEMENTS

- All items must be received by 4pm the Friday before the next funding date.
- Funding only occurs on Thursdays
Example:
If loan is to close on Friday the 22nd , then items listed above need to be in the SHIP office by Friday the 15th in order to fund on Thursday the 21st see funding schedule on page 2.