

AMERICAN DREAM DOWNPAYMENT PROGRAM

The Middlesex County Division of Housing, Community Development & Social Services will award \$5,000 in downpayment and closing cost assistance to income eligible first time homebuyers under the US Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program.

Basic Program Requirements

1. Applicants must be first-time homebuyers and existing Middlesex County residents for a period of at least one year.
2. Applicants must complete an in person, group homebuyer training course offered by a HUD approved housing counseling agency. The class must be completed prior to closing.
3. Applicants are required to undergo budget review and individualized counseling as part of their application process. Appointments and application documents can only be obtained through one of the below HUD approved housing counseling agencies:
 - Puerto Rican Action Board - Housing Coalition Unit** • 732-249-9700
Contact: Dionne Roberts at droberts@prab.org or Gloria Melendez at gmelendez@prab.org
 - Housing Authority of Perth Amboy** • 732-826-3110 ext. 631
Contact: Eugenia Hill at ehill@perthamboyha.org
 - Faith Fellowship CDC** • 732-727-9500 ext. 1171
Contact: Lillie Gatling at lgatling@ffmwoc.org
 - PRAHD, Inc.** • 732-638-2854
Contact: Samarie Rivera at srivera@prahd.org
4. Applicants can only purchase a single family property. Eligible properties are detached homes, townhouses, condos, and co-ops. The purchase price of the property cannot exceed four times the certified income level of the household, with an overall maximum of \$295,000.
5. Applicants must have a mortgage pre-approval issued within the past 2 months.
6. Applicant must purchase their single family housing in any Middlesex County municipality except New Brunswick and Perth Amboy (which are not in the HUD jurisdiction for this particular program.)
7. Total household income can not exceed the following limits:

One-person	\$54,000	Five-person	\$83,300
Two-person	\$61,700	Six-person	\$89,450
Three-person	\$69,400	Seven-person	\$95,650
Four-person	\$77,100	Eight-person	\$101,800
8. The property being purchased must meet HUD's Housing Quality Standards and must also be certified free of lead based paint hazards if built prior to 1978.
9. Applicant must be putting down at least 1% of the purchase price from their own funds.
10. Any co-signers of the primary mortgage must also be occupiers of the property being purchased.
11. Assistance will be in the form of a deferred repayment mortgage, which doesn't require payment of principal or interest by the homebuyers provided they own and live in the property for five years.

For more information contact:

Melissa Bellamy

732-745-2922

melissa.bellamy@co.middlesex.nj.us

Middlesex County Board of Chosen Freeholders

Ronald G. Rios, *Director*

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Blanquita B. Valenti, *Chair, Community Services Committee*

Kenneth Armwood, Charles Kenny, Leslie Koppel, Shanti Narra

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ADDI REQUIRED DOCUMENTS

Please bring the following documentation to your upcoming counseling session. If you have any questions concerning the information requested, please contact us.

- _____ ADDI Application
- _____ Proof of attending the Home Buying Class
- _____ Income Eligibility Worksheet
- _____ Signed voucher (**Blue ink please**)
- _____ Proof of Income (signed tax returns for 3 year, including W-2s)
- _____ 6 Most recent pay stubs
- _____ 6 Months of bank statements from checking account
- _____ Most recent bank statement from Savings Account
- _____ Most recent statement of additional assets; pension, 401K, CD, money market etc.
- _____ Contract for Sale
- _____ Divorce Decree (If Applicable)
- _____ Alimony and Child Support Documentation (if applicable)
- _____ Proof of other household income (if applicable)
- _____ Home Inspection (Including Termite inspection)
- _____ Loan Application (1003) & Loan estimate (**Loan Documents**)
- _____ Mortgage Pre-approval
- _____ Letter from buyer's attorney setting closing date, providing his/her name and stating that he/she does not see any impediments for the client to purchase the property.

Agency Forms

- _____ Agency Intake Form
- _____ Budget Form completed & Third Party Authorization
- _____ Agency Disclosure

MIDDLESEX COUNTY
DEPT. OF HOUSING & COMMUNITY DEVELOPMENT
COUNTY ADMINISTRATION BUILDING
75 BAYARD STREET, 2ND FLOOR
NEW BRUNSWICK, NJ 08901

AMERICAN DREAM DOWNPAYMENT (ADDI) APPLICATION

Application Number (to be completed by County): _____

Applicant Name(s): _____

Current Address: _____

Daytime Phone: _____ Evening Phone: _____

E-mail address: _____

Number of people in Household: _____ Currently living in subsidized
or affordable housing? (circle) Yes or No

<u>Name of Household Member</u>	<u>Relation to Applicant(s)</u>	<u>Date of Birth</u>
_____	Applicant	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

RACE: Please select all that apply.

American Indian or Alaskan Native (___)

Asian (___)

Black or African American (___)

White (___)

Native Hawaiian or Other Pacific Islander (___)

ETHNICITY: Please select one.

Hispanic or Latino (___)

Non-Hispanic or Latino (___)



INCOME INFORMATION (To be completed by the Housing Counseling Agency)

Annual Household Income as determined by online HUD calculator? \$ _____

What is the maximum allowable income for the family size? \$ _____

Maximum allowable sales price for this household
(this is equal to four times the Annual Household income) \$ _____

Program Maximum Sales Prices is \$276,000.

How much does the applicant have in liquid assets? \$ _____

HOUSING INFORMATION

Address of property being purchased: _____

Municipality: _____ Block: _____ Lot: _____
(If you do not know the block & lot, please contact the Municipal Tax Assessor)

Type of Property: _____ # of Bedrooms: _____
(For example: condo, townhome, single family house)

Contract Purchase Price: \$ _____
(must be less than the maximum allowable sales price)

Amount of Seller's concession towards closing costs (if any): \$ _____

Closing Date: _____

Was house built after 1978? Yes or No If yes, then provide year house built: _____

MORTGAGE INFORMATION

Applicants must demonstrate that they are putting at least 1% of the contract purchase price towards downpayment and/or closing cost and that they do not have enough in liquid assets to cover 10% of the purchase price, plus closing costs to be eligible for ADDI funding.

Name of Lender: _____

Type of Mortgage (check one): _____ 30 yr. fixed _____ 40 yr. fixed _____ Other

If other, please explain: _____
(No ARM mortgages, "no docs" mortgages or undocumented income mortgages are allowed)

Amount of Mortgage: \$ _____ Mortgage Rate: _____

Amount of deposits applicant has already paid: \$ _____

Additional amount applicant will contribute towards downpayment/closing: \$ _____

ATTORNEY INFORMATION

If qualified, Middlesex County will provide a \$5,000 check made payable to the attorney's trust account (or other designee) on behalf of the applicant. The following information is needed in order to generate a voucher. A letter from the attorney setting the closing date is still required to be submitted.

Name of Attorney: _____

Check to be made payable to: _____

(For example: John A. Smith, Esq. Attorney Trust Account, Smith & Smith, LLC Attorney Trust Account or ABCD Title Agency, Inc.)

Address: _____

Federal Tax ID Number for Attorney or designee: _____

(This is needed by our Comptroller's office to process the voucher.)

QUALIFICATION AS FIRST TIME HOMEBUYER

To qualify as a first time homebuyer, you must meet one of the following eligibility requirements.

Please check the one that fits your situation:

- A. Applicant, co-applicant and/or his/her spouses have never owned a home
- B. Applicant, co-applicant and/or his/her spouse, has not owned a home during the three-year period prior to the purchase of the home with ADDI assistance.
- C. Applicant owned home less than 3 years ago, but is a single parent who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody, or is pregnant.
- D. Applicant owned home less than 3 years ago, but is a displaced homemaker.

If criteria "B", "C", or "D" is checked, please provide address of property owned and sales date.

Address of Home: _____

Sales Date: _____

SUPPORTING DOCUMENTATION

Please submit the following documentation with your application. Until all the documents are received and all parts of the application are completed, your application will not be processed or put on the agenda for Freeholders approval.

1. Completed ADDI Income Eligibility Worksheet (must be signed by applicant & agency)
2. Source documentation used to determine income eligibility
 - Six most recent paystubs for each Full & Part time job for all adults (if you receive overtime you will be asked to provide up to 6 months of paystubs)
 - Documentation relating to any other source of income received including but not limited to social security, pension, retirement, child support, alimony, unemployment, and worker's compensation

- For self-employed applicants, documentation on business income and expenses
- Six months worth of bank statements for all checking accounts
- Most recent bank statement for all other types of accounts including savings, money markets, and Certificates of Deposits
- Most recent statement for any IRA, pension, mutual funds, stock portfolio, or other retirement or non-retirement financial assets

3. Copies of the last three years Federal tax returns with all W-2s
4. HUD Income Calculator Determination form (to be completed by housing counseling agency)
5. Proof of attending Homebuyer Training Class
6. Mortgage Pre-approval
7. Home Inspection
8. Wood Destroying Insect Inspection
9. Property has no lead paint hazards (if housing was built prior to 1978)
10. Letter from buyer's attorney setting closing date, providing seller's attorney' name and stating that he/she does not see any impediments to the client being able to purchase the property.
11. Name and telephone number of person the County Housing Inspector should contact to set up required Housing Quality Standards inspection.

Middlesex County may request additional documentation to help determine applicant(s) eligibility for the program.

LEAD BASED PAINT CERTIFICATION – I certify that I have received a copy of “Protect Your Family From Lead in Your Home”

Applicant Signature: _____

Date: _____

Co-Applicant Signature: _____

Date: _____

HOUSEHOLD CERTIFICATION - I certify that this information is correct and I qualify as a first time homebuyer based on the above checked criteria, as I nor my spouse have owned a home during the three-year period prior to the purchase of this property or I am a single parent or displaced homeowner. I understand receipt of ADDI funds will be dependent upon my compliance with HUD regulations and Middlesex County ADDI program requirements. I further understand that if I fail to purchase the property under contract, I will be disqualified to apply to the ADDI program for any subsequent housing purchase.

Applicant Signature: _____

Date: _____

Co-Applicant Signature: _____

Date: _____

AGENCY CERTIFICATION – (please circle appropriate answer) I certify that this household has:

Yes or No - Completed a homebuyer education class or is registered for a class prior to closing

Yes or No - Had sufficient individual housing counseling by our agency

Yes or No - Based on budgetary review has sufficient net income to support the applied for mortgage

Signature: _____ Date: _____

Name of Agency: _____

COUNTY APPROVAL - This above information and submitted attachments were reviewed with the below determination.

Household is granted ADDI approved (____)

Household is not eligible for ADDI funds (____)

Reason: _____

AMOUNT OF HOMEBUYER ASSISTANCE: \$ _____

Project Delivery Cost: _____ Total ADDI commitment: _____

Signature: _____ Date: _____
