

VOS AFFORDABLE HOUSING PROGRAM

DOWNPAYMENT ASSISTANCE

The Village of Solomon has approved a sub-program within their first Affordable Housing Strategic Plan to include homeowner down payment assistance to serve the VOS tribal community. The sub-program can provide down payment assistance, up to \$20,000 per applicant, following the application process and eligibility criteria listed below;

1. Must be an enrolled Village of Solomon tribal member
2. Must be working with a realtor agency and approved for a mortgage with a verified mortgage lending agency
3. Must have pre-approval letter for home to provide to the Council
4. Must be ready and willing to make an offer on selected home to be used as a primary residence
5. Must have inspection completed prior to negotiating purchase price and understand the maintenance and inspection report
6. Must have purchase price agreed upon with seller/buyer
7. Must understand the home buying process and commitment to buying the home and watch this video <https://www.youtube.com/watch?v=1Nx9AEtr0aQ>
8. Have taken the AHFC HomeChoice online class <https://www.ahfc.us/buy/homechoice>

Please read these helpful tips:

Mortgage pre-approval

You really shouldn't begin shopping for a house until you know how much house you can afford. And if you want sellers and their real estate agents to take you seriously, you need a pre-approval letter.

Keep in mind that pre-approval is not the same as pre-qualification. When you get pre-qualified by a lender, it's an estimation of what they'll lend you.

Pre-approval is a more rigorous examination of your financial situation, and it lets you know exactly the loan amount a lender is willing to underwrite.

You get pre-approved for a home loan by applying to one or more mortgage lenders. Underwriters will likely have questions or lists of documents they want, and once you comply with their requests, you get your pre-approval letter

The CFPB survey found that almost every borrower considered the interest rate or loan costs as primary considerations when shopping for mortgage lenders. It's easy to request a fist full of quotes online, so get them now. Then, you can contact several of the most competitive lenders and evaluate them personally

Note the mortgage lenders whose style of working meshes with your own. If you prefer calls and get texts, or if your loan officer is hard-to-find when you have questions, choose someone who makes you more comfortable. <https://themortgagereports.com/26853/want-to-buy-a-house-checklist>

Make an offer

Your real estate agent will help you decide how much money you want to offer for the house, along with any conditions you want to ask for. Your agent will then present the offer to the seller's agent; the seller will either accept your offer or issue a counteroffer. You can then accept, or continue to go back and forth until you either reach a deal or decide to call it quits.

Before submitting your offer, take another look at your budget. This time, factor in estimated closing costs (which can total anywhere from 2% to 5% of the purchase price), commuting costs, and any immediate repairs and mandatory appliances that you may need before you can move in. Think ahead—it's easy to be ambushed by higher or unexpected utilities and other costs if you are moving from a rental to a larger home. For example, you might request energy bills from the past 12 months to get an idea of average monthly costs.

When you review your budget, don't overlook hidden costs, such as the home inspection, home insurance, property taxes, and homeowners association fees.

If you reach an agreement, you'll make a good-faith deposit, and the process then transitions into escrow. Escrow is a short period of time (often about 30 days) during which the seller takes the house off the market with the contractual expectation that you will buy it—provided you don't find any serious problems with it when you inspect it.

Have the home inspected

Even if the home that you plan to purchase appears to be flawless, there's no substitute for having a trained professional do a home inspection of the property for the quality, safety, and overall condition of your potential new home. You don't want to get stuck with a money pit or with the headache of performing a lot of unexpected repairs. If the home inspection reveals serious defects that the seller did not disclose, then you'll generally be able to rescind your offer and get your deposit back. Alternatively, you can negotiate to have the seller make the repairs or discount the selling price. <https://www.investopedia.com/updates/first-time-home-buyer/#toc-the-buying-process>

Make A Smart Purchase Offer

So, you've settled on "the one." And now we're back to the finances and how to make a smart purchase offer. This is where your real estate agent will shine; make sure to consult with them when deciding how much to offer for a particular home.

Your agent can help put a vast array of criteria into perspective. For example, your offer number will depend on a number of diverse factors:

- How hot the housing market is, both nationally and locally
- How long the house has been on the market
- Whether there are already offers out there on the house

In a slow market, homebuyers can reasonably hope for a small discount on the asking price, but in a more competitive market, making an offer below asking price might lead to your offer being rejected.

And remember that your offer includes more than just the round number of the purchase price. You also want to include “terms,” such as how soon you need to be in the house, and “contingencies,” such as whether you need to sell an existing house first.

This is also the time at which your real estate agent will add your preapproval to the purchase offer package, marking you as a serious buyer.

A purchase offer usually also requires including an earnest money deposit (often 1% – 3% of the home’s value) that will be put into escrow. That money will stay there in a third-party account until your offer is accepted, and then it will be applied to the down payment and mortgage closing costs.

However, if the sale falls through because you changed your mind, you may forfeit that money. The earnest money can be safeguarded through the contingencies you negotiate as part of your offer; one such contingency can be a clean inspection.

<https://www.rocketmortgage.com/learn/best-home-buying-checklist>

Please fill out the application below

VILLAGE OF SOLOMON DOWNPAYMENT ASSISTANCE APPLICATION

Applicant Name: _____ Date: _____

Tribal Enrollment #: _____ Phone Number: _____

Date of Birth: _____

Applicant Employer: _____

Job Title: _____

Gross Annual Income: _____

Length at Employer _____ yrs _____ months

Applicant Physical Address

Street: _____ City _____

State _____ Zip Code _____

Mailing Address: If same as physical, check box

Street/PO Box : _____

City _____ State _____ Zip Code _____

Household Information:

How many persons in household? _____ (excluding applicant)

Full Name

Date of Birth

AN/AI – YES OR NO

Full Name	Date of Birth	AN/AI – YES OR NO

Please use back side if more room is needed

Mortgage Lending Agency/Mortgage Financial Institution Information

Name of Mortgage/Financial Advisor: _____

Phone Number: _____

Email Address: _____

Mailing Address of Financial Institution:

Type of Mortgage Loan Product: _____

Do you understand the requirements/criteria within this particular loan? Yes No

Realtor Agency Name: _____

Realtor Name: _____ Realtor License #: _____

Realtor Direct Phone Number: _____

Physical Address of Prospective Home

Street _____

City: _____ State _____ Zip _____

Home Inspection Report Attached? Yes No

Full listed Purchase price: _____

Offer Price: _____

Offer accepted? Yes No

Pre-Approval Letter attached? Yes No

HomeChoice Certificate of Completion attached? Yes No

Down Payment Request Amount: _____

I understand that this Down Payment Assistance opportunity can provide up to \$20,000 per applicant. If the down payment requirement for the type of loan and home price exceeds \$20,000, the remainder of the amount agreed upon will be from:

_____ Amount _____

_____ Amount _____

_____ Amount _____

Anticipated Closing Costs/Fees:

Anticipated Closing date? _____

If the event occurs there that of, mortgage payments, homeowners insurance, mortgage payment insurance will not be made and/or the home is sold, put in foreclosure, etc:

I understand I am financially responsible for paying back my down payment assistance amount received from the Village of Solomon at 20% of the full amount by setting up a payment plan with the Village of Solomon Tribal office/per Council approval. A Deed of Trust will be signed by all parties, which outlines the agreement stated in this section.

Ex: \$20,000 x 0.20% = \$4,000. \$15,000 x 0.20% = \$3,000. \$10,000 x 0.20% = \$2,000

I understand that this Down payment assistance program is to serve the Village of Solomon tribal membership in successfully becoming a home owner following the acknowledgement of the VOS Council recognizing affordable housing as a need for the tribal community.

I, _____, hereby agree and fully understand the terms and guidelines set forth within this application for downpayment assistance provided by the Village of Solomon. Additionally, I further agree to make mortgage payments, insurance payments on time to avoid foreclosure status and will seek available resources to avoid such a status, including but not limited to; contacting my financial advisor, contacting the VOS office for outside resources, etc.

I understand the Village of Solomon trusts in good faith, that I have the capacity to fulfil my homeownership, maintenance and have acquired the knowledge and education in maintaining my income, my home and all other homeownership responsibilities. Any false information provided, is subject to immediate denial of my application.

Furthermore, if my application is approved, VOS will draft a letter for information on wire transfer information to provide to title agency, underwriter, mortgage lender, etc. to progress forward in my home purchase verifying these funds are available for my down payment.

Applicant Name Printed

Date

Applicant Signature