

**Round Valley Indian Housing Authority**  
**Homebuyers Assistance Program**  
**Policy and Procedures**

**Purpose and Administration**

The purpose of the Homebuyers Assistance Program is to provide assistance to Native American Tribal members who are able to qualify for Conventional mortgages based on the borrowers or co-signers credit history. The Homebuyers Assistance Program will provide down payment assistance to Tribal members who qualify to buy a home or land to put a home on, but have an Affordability gap “between the amount of mortgage they can afford and the price of a safe, decent and sanitary home.

The Round Valley Indian Tribes has designated the Round Valley Indian Housing Authority as the entity to administer this program in order to ensure that the services provided are responsive to the needs of the tribe/program participants and in order to leverage this program with other resources to increase the benefits derived from this HUD funding.

The administration of this program is consistent with an RVIHA strategy, which addresses the problem of supply and availability of quality affordable dwellings:

The Round Valley Indian Housing Authority will act as a catalyst to Secure resources and develop innovative programs for the provision Of safe, decent and sanitary housing which will be available and affordable to low-income Tribal members and other Native Americans.

**Funding Available**

The RVIHA has designated funding for the Homebuyers Assistance Program in the amount of \$100,000 in its revised 2009 Indian Housing Plan and anticipates allocating additional future funding for this.

**Services Available**

There are only three categories of service available under this program:

1. Provisions of one time only financial assistance for Native American Families who qualify of conventional mortgages but who have a financing “gap” between the amount of loan they qualify for and the purchase price of a safe, decent and sanitary house.
2. Provisions of one time only financial assistance is available to qualified Native American families who have qualified thru other sources of assistance such as; HUD’s Section 184 Program, USDA Rural Development 502 Loan Program and Veteran’s Administration. A Memorandum of Understanding (MOU) has been established for all entities listed above.
  - Those members that purchase their homes and will be residing within reservation boundaries will be in accordance with the RVIT’s Mortgage Lending Code.
  - Applicants must provide a pre-qualification letter that shows exactly which program they have been approved thru.

3. Provisions of one time only financial assistance for qualified Native American families who qualify for conventional mortgages but only wish to purchase land. This can only be accomplished when the purchaser has a home to put on the land. The RVIHA has determined that individuals who have been approved thru other housing programs to receive a home are eligible for this Homebuyers Assistance.

- Eligible Applicants must provide proof of homeownership before any down payment assistance will be awarded.
- Eligible applicants must sign a notarized statement ensuring that the home will be erected on the property within a minimal time period that will be determined by the RVIHA.
- To qualify for the program all properties must pass the required Environmental Assessments before any funding can be awarded.
- All infrastructures must be in place and ready to begin construction once a check has been cut.

### **Eligible Applicant**

Applicants are eligible if the Head of the Household is:

- a) A member of the Round Valley Indian Tribe.
- b) Federally recognized Indian tribe or Alaska Native village.
- c) Living within the RVIHA service areas of Humboldt, Lake, Mendocino, Sacramento, Sonoma and Trinity Counties.
- d) The annual income of the family does not exceed 80% of median income for the county of residence.
- e) They have not received RVIHA “Homebuyers Assistance” in the past.

### **RVIHA Preferences**

The RVIHA shall assist applicants in the following order, by date and time go receipt of complete documents as described below (Application Requirements):

- 1) RVIT Tribal member living within the service area.
- 2) Native American Non-Tribal members living with the service area.
- 3) Non-Native Americans

### **Application Qualifications**

Applicants may qualify for assistance if the following criteria are met:

- 1) Income is at or below 80% of the county median income where they live.
- 2) Qualify for a conventional interest rate mortgage loan. (Based on the borrowers or co-signers credit history).
- 3) The home they wish to buy does not exceed the FHA maximum limits for their county.
- 4) The home has been inspected by qualified termite (Section I clearance), inspector and meets the RVIHA “safe, decent, and sanitary” condition as evidenced by a copy of the inspection reports/appraisal report.
- 5) The amount of assistance needed does not exceed the allocated amount per county.
- 6) The applicant provides proof that no similar local assistance is available.
- 7) The home will be used as the principle residence of the loan recipient.
- 8) Applicant must be in good standing with the RVIHA and RVIT and other RVIT entities and have no outstanding debt.
- 9) Applicant must sign a Release of Information Form.

## **Application Requirements**

Applicants must:

1. Furnish documentation proving current tribal membership.
2. Through their mortgage lender:
  - a) Provide proof of income for all permanent members of the household.
  - b) Provide proof of FHA limits for their county.
  - c) Provide proof that the purchase price of the home does not exceed the appraised value.
  - d) Provide a copy of the inspections reports/appraisal documentation the home meets the RVIHA “safe, decent and sanitary” standards or will at time of closing.
  - e) Provide documentation of the “affordability gap” which is the difference between the amount of the loan the family can qualify for (based on 30% to 33% of the buyers gross monthly income towards housing costs) and the purchase price of the home and that this gap does not exceed the level of down payment assistance allotted for their county (including cost of inspections, and any other normal “buyer” cost related to closing).
  - f) Provide documentation that no similar program exists within their jurisdiction; or that they have been denied participation or that the resources they received from that program is inadequate to meet their needs.
  - g) Sign a “silent second” mortgage at the time of closing which will require repayment of a portion of this assistance if the home is sold within the Useful life period as described in the Indian Housing Plan (IHP) to be that of 15 years. If you sell the house within the first 15 years the silent second will be reduced by 15% per year.
  - h) The lending institution may waive the requirement to attend credit counseling classes.

The RVIHA staff will review documents submitted as described on the following page. If an applicant is found ineligible for the program or if the applicant does not qualify the applicant will be notified in writing.

Applicants/Lenders will be notified if documents are missing and/or incomplete.

**Applicants will be assisted based on the availability of funds, the preferences listed above and the first to submit all the required documentation.**

## **Special Conditions**

**A Floodplain:** Units in the 100-year floodplain will not be eligible, unless the unit can be and is insured by federal flood insurance for the period of affordability.

**B. Lead Paint:** Lead-based paint requirements for properties constructed prior to 1978 will be addressed prior to purchase. These include requirements that lead-based paint notification be given to purchasers, requirements are that properties be inspected for defective paint surfaces, and if defective paint surfaces are found, requirements that they will be properly abated.

**C. Tribal Affiliation:** The applicant will sign a notarized statement indicating that he/she will remain a member of the Round Valley Indian Tribes for a period of 15 years. If the applicant disenrolls from the Round Valley Indian Tribes during that 15-year period the applicant will be required to pay back the RVIHA the remaining amount of the note.

**D. Homebuyers Educational Training:** The RVIHA has determined that applicants attend one Homebuyers Educational Workshop. The applicant must provide proof of completion. Current class listings are available from our office.

## **Process**

1. Applicant completes application and sends to RVIHA documentation of Tribal Membership.
2. Applicant contracts mortgage lender and requests to be pre-qualified for a loan.
3. Mortgage Lender will write a letter to the RVIHA that will:
  - a) Specify that the applicant is eligible for a loan;
  - b) Current interest rates for conventional mortgages;
  - c) How much the family can borrow at this interest rate based on 30% - 33% of the applicant's gross monthly income towards housing costs (Principal, Interest, Taxes and Insurance);
  - d) Provide proof of the FHA limits for their county;
  - e) Provide proof of the applicant's income.
  - f) Provide certification of proof that applicant has met the required homeownership training.
  - g) Provide a notarized statement that applicant intends to remain a member of the Round Valley Indian Tribes for a period of no less than 15 years. Statement will be provided by the RVIHA and will be required to be signed at the time of closing.
  - h) Sign a Waiver of Future Assistance for period of 15 years at which time the applicant will become eligible for other housing programs such as Housing Rehabilitation.

## **Continued Process**

1. The applicant must contact the RVIHA so we can determine if any similar local assistance is available. If any similar local assistance is available the applicant will be required to apply for that assistance prior to the next step. The RVIHA will coordinate assistance with the local provider.
2. The RVIHA will issue a letter to the applicant with a copy to the lender specifying the level of down payment assistance available to the applicant and will send a copy of the Promissory Note and Second Deed of trust to the lender for their legal review; (REF. Pg. 4-E).

3. When a Mobile or modular home is purchased, the applicant will be required to sign a “Security Agreement Addendum to Security Agreement and Promissory Note” to be reviewed by lender.
4. The applicant can take this letter along with the pre-qualification letter to a home seller or a Realtor – the Realtor or seller should contact the RVIHA.
5. An offer to purchase a home must specify that the offer is contingent upon approval of RVIHA assistance by the RVIHA Board of Commissioners;
6. A copy of the “offer to purchase” and estimate of closing costs must be provided to the RVIHA immediately after the offer is accepted – the total price of the home must not exceed the FHA limits nor the amount of loan the applicant is eligible for plus the available subsidy.
7. The RVIHA Board of Commissioners will be presented with the offer and level of assistance requested at their next regular meeting (usually the second and fourth Wednesday of the month) after receipt by RVIHA of the offer.
8. The approval of assistance by the Board of Commissioners will be contingent upon the following:
  - a. The home must be inspected by a qualified termite inspector (Section I clearance), septic and well inspection (if applicable) and an FHA level appraisal report – a copy of all these reports and inspections must be sent to the RVIHA for review additionally the applicant is encouraged but not required to request a “home inspection” from a licensed home inspector – this is an eligible cost from the RVIHA assistance. This report will give a detailed explanation to the applicant of the condition of the home.
  - b. The RVIHA will issue a letter specifying any required as indicated by these inspections – repairs must be completed at the sellers expense prior to loan closing.
9. Upon proof of completion of the work items and clearance of all other contingencies the RVIHA will provide a check for the assistance to the escrow company along with instructions for the Note and Deed of Trust. Security Agreements with Addendum attached and the Promissory Note where Mobile or Modular Homes are involved.

**ADDENDUM:**

Under certain circumstances The Round Valley Indian Housing Authority Board of Commissioners has full authority to waive any requirements and/ or policies in the Homebuyers Assistance Program that may provide safe, decent, and sanitary housing for tribal members.

For more information call  
Round Valley Indian Housing Authority  
Housing Program Specialist  
Zerlinda Hoaglen  
Phone: (707)983-6188 ext 30  
Fax: (707) 983-8435

## INCOME LIMITS

Program Income of Service Area  
By Counties  
Based on Updated HUD Guidelines 2009  
Standard Lower Income

NUMBER OF PERSONS IN FAMILY

COUNTY	1	2	3	4	5	6	7	8
Humboldt	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500
Lake	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500
Mendocino	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500
Sacramento	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500
Sonoma	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500
Trinity	<b>44,800</b>	51,200	<b>57,600</b>	64,000	<b>69,100</b>	74,250	<b>79,350</b>	84,500

The income guidelines are based on 80% of the Median Income as described by HUD as Lower income.

**The above listed Counties have been adopted by the Round Valley Indian Tribes**

## **Homebuyers Assistance Adjustments**

Due to the rising costs of housing the Board of Commissioners has approved an increase in the amount of down payment assistance available to our applicants located within our service areas.

### **Assistance Amounts Per County**

Humboldt	\$25,000
Lake	\$25,000
Mendocino	\$27,000
Sacramento	\$36,000
Sonoma	\$45,000
Trinity	\$25,000

**Round Valley Indian Housing Authority  
Homebuyers Assistance Program  
Application for Assistance**

The Round Valley Indian Housing Authority is requesting that this informational application to be filled out prior to your pre-qualification. It is important that we gather this information so that we are able to process your application by way of the date it was received.

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**General Information**

Date: \_\_\_\_\_

1. Name: \_\_\_\_\_  
Last                      First                      MI                      Maiden (If applicable)

2. Address: \_\_\_\_\_  
PO Box                      City                      State                      Zip Code

3. Physical Address: \_\_\_\_\_  
Street #                      City                      State                      Zip Code

4. Telephone: (\_\_\_\_) \_\_\_\_\_                      Message Phone: (\_\_\_\_) \_\_\_\_\_

5. Date of Birth: \_\_\_\_\_

6. Marital Status:

Single       Married       Widowed       Domestic       Partner       Other

**Tribal Information**

7. Are you an enrolled Tribal Member?                       Yes                       No

8. Tribal Affiliation: \_\_\_\_\_ 9. Tribe: \_\_\_\_\_

10. Social Security #: \_\_\_\_\_ 11. Roll #: \_\_\_\_\_

## Spousal Information

12. Name: \_\_\_\_\_  
Last
First
MI
Maiden (If applicable)

13. Is your spouse an enrolled Tribal Member?  Yes  No

14. Tribal Affiliation: \_\_\_\_\_ 15. Tribe: \_\_\_\_\_

16. Social Security #: \_\_\_\_\_ 16. Roll #: \_\_\_\_\_

17. Date of Birth: \_\_\_\_\_

18. Tribal Verification Attached  Yes  No  Not Applicable

## Family Information

19. List all other persons living in household on a permanent basis. Start with the oldest and provide: Name, Date of Birth, Relationship to Applicant, Tribe and Roll number.

Name	Date of Birth	Social Security No.	Relationship to Applicant	Tribal Roll No.

If you need more space, use a blank sheet of paper

## **Income Information**

20. **Earned Income**: Start with applicant, then list all permanent family members that have an earned income including all who are listed under the Family Information. Provide verification.

<b>Name</b>	<b>Annual Earned Income</b>	<b>Source of Income</b>

21. **Total Annual Earned Income:** \$ \_\_\_\_\_

22. **Unearned Income:** Start with applicant, then list all permanent family members that have unearned income including all who are listed under the Family Information. Provide Verification (examples: SSI, retirement unemployment, TANF, child support, per capita etc...)

Name	Annual Unearned Income	Source of Unearned income

23. **Total Unearned Income:** \$ \_\_\_\_\_

24. **Total Combined Annual Income (Earned + Unearned):** \$ \_\_\_\_\_

Verification Attached:  Yes  No

Applicant Signature: \_\_\_\_\_

Spouses Signature: \_\_\_\_\_

Date: \_\_\_\_\_