



FHP Offers Four Different Housing Programs

Below is a summary of the programs and their requirements.

THIS IS VERY IMPORTANT INFORMATION that will help you understand your home buying process. **ALL** applicants and co-applicants must read all pages, initial after each section and sign on the last page.

This information is subject to change as needed

1- United States Department of Agriculture (USDA) Mutual Self- Help Housing Program-

- The USDA Mutual Self-Help Program (aka sweat equity program) allows you to contribute 600 hours of actual labor towards the construction of your home, which is a big savings on your construction cost.
- Household income must be **below 80%** of your area median income guidelines for this program.
- You don't have to have construction experience. The labor involved is all types of unskilled and semi-skilled construction.
- **The 600 hours of sweat equity are mandatory for the USDA program.**
- All materials needed to work on your home are included in your purchase price and provided by FHP.
- A construction coordinator will provide guidance and a task list for you and your group each week while you are under construction.
- FHP recommends for you to invite family and friends to help contribute your 600 hours of sweat equity. Your volunteers' hours are counted towards your home only. (e.g., three of your friends work 4 hours each, they have contributed 12 hours towards your 600 hours requirement)
- The applicant **or** co-applicant listed on the loan must provide a minimum of 300 hours towards the original 600-hour requirement. The remaining 300 hours can be contributed by family or volunteers.
- The labor contribution hours are completed through a group effort. Lot closings are also done in groups.
- Your group will work together on each individual home that's under construction in your group.
- **Volunteers must be 16 years old. Children under the age of 16 are not permitted on home site.**

Financing: United States Department of Agriculture- Rural Development (USDA-RD) Single Family Housing Direct Home Loan (aka Section 502 Direct Program)-

- FHP's loan department assists you in obtaining a construction to perm loan, directly from the government, this is a 502 Direct Loan.
- USDA mortgage payments are subsidized: your mortgage payment is based on your total household size and income. Continue reading for more information regarding subsidies (monthly payment assistance)
- USDA mortgage terms is 33 years; other options may be available; a USDA member may be able to assist you or offer other options.
- **USDA interest rates are fixed.**
- Must use the house as your primary residence
- Must be a USDA eligible area and meet all program requirements
- (Note: mortgage payments can adjust if payment subsidy is received, explained in more detail below)

Credit Criteria & Information - ***Credit report fees may increase by the credit reporting agency.**

The Loan Specialist will notify you if there is a change*

- Only the person/s applying for the loan will have their merged credit report pulled by Experian, Equifax and Trans Union. (One report pulls all three credit bureaus)
- If you are legally married, we are required to pull a joint credit report.

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Credit Criteria & Information Continues:

- The Loan Specialist (L/S) will go over your credit report and show you how to read it. The L/S will also explain what needs to be taken care of, if any discrepancies appear on your credit.
- It is recommended to have at least 2-3 credit accounts open and in good standing, **all open credit** accounts must show they have been paid on time for the past 12 months.
- A mid credit score of 640 or higher is considered acceptable; but it is not required for your Pre-Qualification appointment. There are other credit factors that can be considered, and the L/S will be able to explain other credit options, such as alternative credit.
- Alternative credit is another form of payments made to utility companies. The lender accepts alternative credit from your rental housing (not a relative), utilities such as electric, water or cable. It is your responsibility to call your provider and request a **credit reference letter**. The credit reference letter should state how long you have had service with them and that your payments have been on time for at least 12 months. Must be able to provide a 12-month payment history
- Other forms of alternative credit that can be used are the following: buy here pay here, auto insurance and payments to local retail stores, school tuition payments, payments to childcare providers. We will provide forms for these alternative types of credit reference.
- If collections appear on your credit report, and your score is under a 640, mid score, you will need alternative credit references.
- If a judgment or lien appears on your credit report, it must be paid in full before we can move forward with your file, a satisfaction of lien or judgement is necessary. It is your responsibility to provide paid off letters and/or receipts to your L/S.

Income Documentation:

- Must have a minimum income of \$25,000 to apply for one of our housing programs. **Please note:** *This is to apply only; the qualification is based on other income ratio requirements which will be explained during the Pre-Qualification appointment and may vary depending on the program you are applying for.*
- Maximum incomes are based on total household size and may be different for each housing program. **All household income should be disclosed.**
- You will be asked to provide child support court orders, SSI or Disability award letters, IRA annuity payments, unemployment payments, divorce decree, and alimony payments, if applicable.
- Self-employed individuals, please provide the last two years of IRS tax returns with all 1099 or W-2 forms. *Please Note: A Profit and Loss Statement may be required, depending on the program requirements.*
- A working full-time student must disclose all income and provide a copy of their school transcripts. The L/S will go over this information.

Monthly Payment Assistance (aka Subsidy) from USDA-RD - *USDA-RD determines if you are eligible for this assistance*

- USDA provides payment assistance known as **payment subsidy, which is used to lower your monthly mortgage payment** if your household income qualifies for it.
- USDA calculates the amount of subsidy you can receive based on your total household size and income.
- If you receive payment subsidy you must personally occupy the home during the term of the loan.
- If you are eligible to receive subsidy assistance, you will be asked to do a recertification (re-apply) **every two years**. This enables USDA to determine whether you should keep receiving subsidy and determine the amount.

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Monthly Payment Assistance *Continues*:

- You must also notify USDA whenever an adult member of the household changes or obtains employment, or if anyone's income increases. If your income decreases, you should report the change to USDA and ask if the decrease qualifies you for additional monthly payment assistance.
- **FHP recommends you NOT to overuse or manipulate payment subsidy.** If you are found misusing subsidy, USDA can require you to pay it back and USDA may penalize you from using subsidy in the future.
- **Payment subsidy/assistance must be paid back.** Repayment is subject to USDA's Subsidy Repayment Agreement. This agreement requires you to repay the subsidy when you sell the property, refinance the loan, move out of your home, or when your loan is paid in full.
- **You are not obligated to use USDA'S payment subsidy.** Payment subsidy is there for future use if needed.

First Time Homebuyer-definition (FTHB)-

- A first-time homebuyer is someone who has either never owned a home OR has not owned a home in the last 3 years.

Down Payment Assistance (DPA)- *DPA funds are subject to change without notice*

- Down payment assistance is available to first time homebuyers only.
- Each source of DPA has its own qualifications and follow the HUD's income guidelines, *which are subject to change every year.*
- The loan specialist will go over what type of DPA is available. DPA must be approved by the Government/State agency or assigned agency.
- DPA Amount Varies: The amount you may apply for is calculated based on your total household income, size and need.
- **Hillsborough County DPA:** Is a 0% interest deferred loan. Income cannot exceed 80% of the Area Median Income (AMI). This DPA loan is forgiven based on Hillsborough County's affordability period. New Construction affordability period is 20 years or 5% forgiven per year.
- Full DPA recapture is due at time of sale, refinance, or if you move out of your house. If you sell within the first 3 years 50% of the equity will be retained by the county.
- **Homeownership Pool Program (HOP) is the State of Florida DPA:** Is a 0% interest deferred loan. Income cannot exceed 80% of the Area Median Income (AMI), per HUD guidelines. Full DPA recapture is due at time of sale, refinance, or if you move out of your house; or DPA amount is due at the 50th year.
- **Must use your home as your permanent residence;** you cannot rent out your home.
- **ALL down payment assistance loans will be recorded as your 2nd and/or 3rd mortgage**

Program Fees- *Fees are subject to change; the Loan Specialist will inform you of the latest amount*

- Credit Report Fee: Due at the time of your Pre-Qualification appointment, *amount varies between \$26.00 to \$50.00 depending on your marital status*. Please have your credit or debit card ready, a loan specialist will take your payment over the phone, during your appointment.
- Lot Deposit: Once you are ready to pick your lot, you are required to pay your lot deposit of **\$1,000.00**, by money order or cashier's check, which is used to pay for any early processing fees such as: Plot plan fees, DPA application fees, and it could be used to pay for your Builder's Risk Insurance, when we start to build your home.
- USDA's Credit Report Fee: Before FHP can submit your application to USDA for final review, you must bring a **\$25.00** money order or Cashier's Check, Payable to **USDA-RD**.
- The Homeowner Association Fee: **\$708.00** annually for Bayou Pass, due at the time of your lot closing.

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Program Fees Continue:

- Are fees Refundable?
 - *The Credit report fees are not refundable*
 - *The \$1,000.00 lot deposit is refundable if your mortgage loan is not approved, and FHP will deduct plot plan fee, and DPA fee if applicable.*
 - **No fees will be refunded** for loss of employment, change in credit standing, change of mind, or any reason within the control of the applicant. If the loan is cancelled due to lack of required activity on the part of the applicant, a refund is not due.

Application Processing: *Due to the high demand and need of our program, FHP does have a waiting list, for those that are pre-qualified*

- A loan specialist will explain in more detail how the waiting list works at the time of your Pre-Qualification appointment. Once you are called from the wait list, be prepared to update your information, and provide any additional information, or update any changes, if necessary:
 1. Payoff letters or receipts for any derogatory credit/accounts reporting as collections.
 2. Contact information for all employers for the past two years.
 3. Contact information for all landlords the past two years.
 4. Provide current documentation pertaining to your income sources and assets such as bank statements, and retirement plans
 5. The processing of your loan can take up to 2 months. You can help lessen the time frame by advising your employer, landlord, and banking institution to return the verifications in a timely manner.

First Time Home Buyer education class (FTHB)- *This Certificate is good for 1 year*

- You are required to take a FTHB class with an approved HUD agency.
- Your loan specialist will go over additional information

Estimated Time frame from start to end- *This is an estimated time frame only*

- Varies depending on each situation.
- Average time to repair credit: 6 to 12 months.
- Waiting list 10 to 12 months
- Average time to process your loan at FHP's office, from selecting lot to submitting a complete application to USDA-RD: 1 to 2 months.
- Average time for USDA-RD to process application and receive funding varies: 4-8 months.
- Average time for the construction process: 10 to 12 months.
- From selecting your lot to moving in your home; the process can take up to **15 to 22 months.**

Floor Plans Available:

- FHP offers six different models of 3, 4, and 5 bedroom homes with 2 baths and some with either 1 or 2 car garages.
- Home size is based on total household income, family size, and affordability ratios: A loan specialist will go over all those details during your Pre-Qualification appointment
- The square footage of your home does impact the amount of your annual property taxes and homeowner's insurance.
- Visit our website to see our floor plans

2- Build a home on your home site (property) – ****Temporarily Unavailable****

- FHP is now able to build a home on your property, if it's within our service radius.
- Home site (property) location must be approved by Executive Director.
- Choose one of our six models for your home site.

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- A loan specialist will assist you in obtaining a loan from USDA-RD (*USDA-RD loans must be on a rural area) or from another lender.
- **Down Payment Assistance is available (ONLY)** to families that are **below 80%** of area median income and are willing to **provide a minimum of 300-600 hours of sweat equity.** Please ask for more information if you are interested. _____

3- Modified Self Help- (subject to DPA availability and housing market conditions)

****Temporarily Unavailable****

- FHP assists families **over 80% up to 120%** of the area median income by building a home in one of our communities using conventional lending.
- **300-600 hours of sweat equity are required for this program.**
- A loan specialist will guide you in obtaining a loan. You are required to put down **\$2,500.00 as a down payment** through the modified program.
- The purchase price will be higher, in comparison, to our regular USDA Self-Help program
- You are also required to purchase an annual Builder’s Risk Insurance policy at loan closing.
- Builder’s Risk Insurance is required while your home is under construction; then it converts to a regular homeowner’s policy when you move in, cost ranges from \$800.00 -1,000.00.

4- CHDO Homes aka ‘Net-Zero’ Energy Homes: Ready to Move in Homes: *Inventory varies*****

- FHP now offers a limited number of houses ready to move in, to first time homebuyers, with private financing.
- Income restricted to families under 80% Area Medium Income, per HUD’s guidelines
- Must meet Hillsborough County Down payment assistance requirements, in order to purchase one of these homes
- ***Other Spec Houses** have no income restrictions; must qualify for a private loan NO Down Payment Assistance Available. ****Temporarily Unavailable****

I/We have read the FHP Programs and Requirements, and I am/we are familiar with the programs and their requirements. I/We also received a copy of this document. I/We understand it is my/our responsibility to read it and to ask a Loan Specialist any questions. All questions and concerns should be addressed before my/our Loan is processed and submitted to the lender, for final approval.

Applicant’s Name & Signature: _____ **Date:** _____

Co-Applicant’s Name & Signature: _____ **Date:** _____

FHP Representative Name: _____ **Date:** _____

