

HOME Program

Monitoring Homeownership Projects

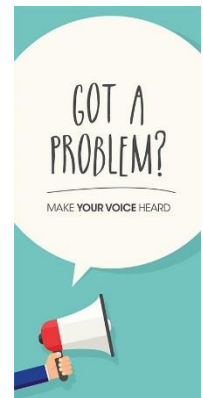


Policies and Procedures

- Is there a copy of the Policies and Procedures for the operation of the homeownership program in the file?
- Is there a resolution by the governing body adopting the Policies and Procedures?
- Were the Policies and Procedures approved by THDA?
- Is there documentation in the Grantee's file?

Grievance Procedure

- Is there an established procedure for handling complaints?



Selection Process

- Is there a selection process prioritizing the homebuyers?
- Is there documentation demonstrating that the selection process is being followed?

Pre-approval of homebuyers

- Were the homebuyers identified and pre-approved prior to the construction or acquisition of the HOME unit?



Environmental Review

- Is the Environmental Review Record in each homebuyer's file?
- Is the release of HOME funds in the file?

Legal Documents

- Is there a copy of the recorded Restrictive Covenant and Deed of Trust between THDA and the Grantee securing the HOME funds during the construction or rehabilitation of the HOME unit in each homebuyer's file?

Homeowner file



Application for assistance

- Is there a complete application in the file?
- Has the application been signed and dated by the homebuyer?

Income verification

- Is there income verification for all persons living in the unit?
- Is the source of the income documentation acceptable?
- i.e. a copy of the homebuyer(s) current social security statement; a copy of the current ssi statement; a minimum of two months current bank statements; a minimum of 4 pay check stubs; etc.
- If a household member has zero income, there must be a complete individual income calculation sheet in the file.

Re-verification of income

- If more than six months occurs between the time of the initial income verification and the executing of the rehabilitation or construction contract, the homebuyer's income must be re-verified prior to the rehabilitation or construction to verify that the homebuyer still meets the HOME income requirements.

HOME Income limits

- The Grantee must determine that the household's annual income does not exceed the HOME income limits.
- The HOME income limits are determined by the number of people living in the home and the county where the home is located.

Income Limits

- HOME funds can only be used to assist:
 - Households with a gross annual income at or below 80% of the area median income, adjusted for family size
 - HOME income limits are updated annually by HUD

Fair Housing

- Each applicant must be given a copy of the “Fair Housing-Equal Opportunity for all” pamphlet.
- The Grantee must maintain documentation in their file showing that each applicant received a copy of the pamphlet.

Lead based paint pamphlet

- Each applicant purchasing a home that was built before 1978 must be given a copy of the *Protect Your Family from Lead* pamphlet.
- The Grantee must maintain documentation in their file showing that each applicant received a copy of the pamphlet.

Work write-up

- Work write-ups or plans and specifications must be approved by THDA prior to any project being put out to bid.
- Each page of the work write-up or plans and specifications must be initialed by the homebuyer and the contractor.

Work write-up

- The Grantee must maintain a copy of the approved and initialed work write-up in each homebuyer's file.

Pre-1978 units

- If a unit was built prior to 1978, a lead-based paint risk assessment must be completed to determine if lead-based paint hazards exist prior to putting the project out to bid.
- Each homebuyer must be given a copy of the lead-based paint risk assessment.
- The Grantee must maintain documentation that the homebuyer received a copy of the lead-based paint risk assessment.

Pre-1978 units

- The Grantee must maintain a copy of the homebuyer's receipt of the lead-based paint risk assessment and the lead-based paint risk assessment in their file.
- If lead-based paint hazards exist, there must be a signed and dated rehabilitation contract addendum for reduction of LBH (HO-12) in each homebuyer's file.

Pre-1978 units

- If lead-based paint hazards exist, a clearance test must be completed. Each homebuyer must be given a copy of the lead-based paint clearance test.

Pre-1978 units

- The Grantee must maintain documentation that the homebuyer received a copy of the lead-based paint clearance test.
- The Grantee must and maintain a copy of the receipt and a copy of the lead-based paint clearance test in their files.

Contractor Qualifications

- Are the contractor's qualifications in the Grantee's file?
- Are the lead based paint risk assessor's credentials in the Grantee's file?

Contractor Selection

- Is there a procedure for selecting contractor's?
- Is the process being followed?

Bid tabulation

- Each homebuyer's file must have a copy of the bid tabulation.
- All of the bids must be maintained in each homebuyer's file.

Bid Tabulation

- The lowest bidder should be awarded the bid. If the lowest bidder is not awarded the bid, there must be an explanation in the homebuyer's file stating why the lowest bidder was not awarded the bid.
- There must be documentation in the file reflecting that THDA approved the request for not selecting the lowest bidder.

Building Permit

- There must be a copy of all building permit(s) in each homebuyer's file.



Rehabilitation or Construction contract

- The rehabilitation or construction contract must be signed and dated by the homebuyer and the contractor.
- There must be a copy of the fully executed rehabilitation or construction contract in each homebuyer's file.

Rehabilitation or Construction Contract

- If the Grantee was the developer of the HOME unit, is there copies of all subcontracts, invoices and/or bills for the development cost of the unit?

Change Order(s)

- If there are any change order(s), there must be a signed and dated copy in each homebuyer's file.
- If the change order exceeds 10% of the initial rehabilitation or construction contract amount, the change order(s) must be approved by THDA's construction specialist.
- There must be documentation of approval of the change order from THDA in each homebuyer's file.

Rehabilitation or Construction Documents

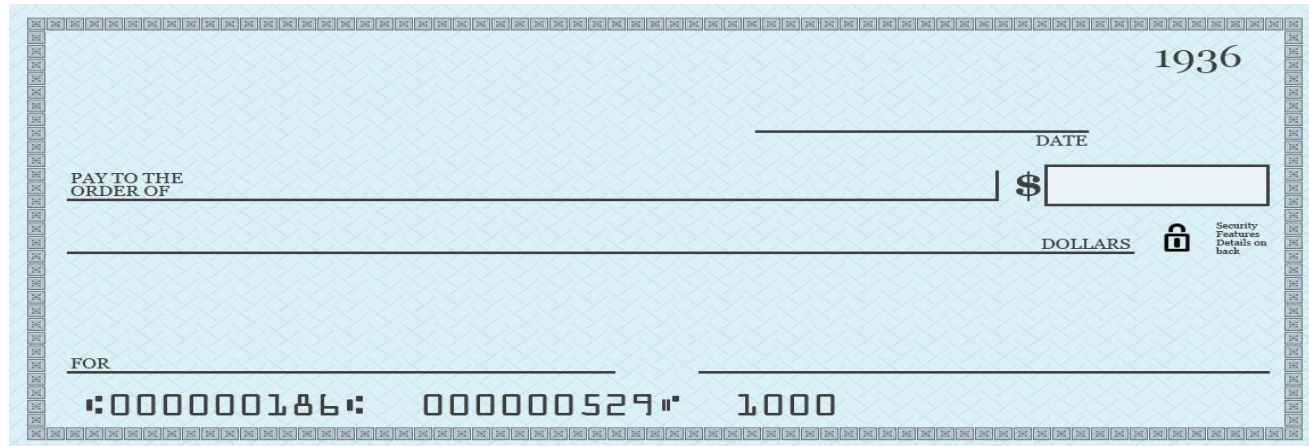
- The following fully executed rehabilitation or construction documents must be in each homebuyer's file:
- Notice to Proceed HO-15
- Non-kickback Certification HO-21
- Inspection Reports

Rehabilitation or Construction Documents

- Certification of completion and Final Inspection
- Building Official's certificate of occupancy or equivalent
- Final Invoice, Release of Liens and Warranty

Payment to the contractor

- There must be a copy of all payments to the contractor in each homebuyer's file.



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DATE

PAY TO THE ORDER OF

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DOLLARS

FOR

Security Features Details on back

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Payment to sub-contractors

- There must be copies of all payment to the sub-contractors and/or vendors in the Grantee's file.

Appraisal

- Is there an appraisal for the completed unit in each homebuyer's file?

Closing Disclosure

- Is there a final closing disclosure in each homebuyer's file?
- Does the permanent financing have a fixed rate?
- Is the permanent financing a THDA mortgage?
- If not, does the interest rate exceed more than one (1%) percentage point above THDA's Great Choice at the time of pre-approval?

Sales Contract

- Is there a sales contract between the Grantee and the homebuyer?

Needs Assessment

- Is there a needs assessment in each homebuyer's file?

Sales Price Limits

- The purchase price must be less than or equal to the appraised value.
- The purchase price limits for homeownership programs are established by HUD for existing and newly constructed homes.
- The Property Value Limits and Sales Price guidelines can be found at: www.thda.org -> Business Partners -> Grant Administrators -> HOME Program -> Resource Links at the bottom of the page.

Home Buyer Education

- All homebuyers must complete a homebuyer education program from a THDA qualified homebuyer education trainer prior to purchase.



Legal Documents

- Is there a fully executed Grant Note and recorded Deed of Trust between the Grantee and the homebuyer securing the soft second mortgage in the file?
- Is there a recorded Warranty Deed showing the homebuyer as the owner of the HOME unit in the file?
- Is there a copy of the recorded release of lien of the rehabilitation or construction Restrictive Covenant and Deed of Trust in each homebuyer's file?

Affordability Period

- **Homeownership Programs**
 - Five year affordability period secured by soft second mortgage

Affordability Period

- Is there documentation in each homebuyer's file showing that the Grantee is verifying annually that the homebuyers are still occupying the HOME units as their principle residence during the affordability period?

Affirmative Marketing

- Homeownership programs assisting five or more units must affirmatively market the availability of the HOME units.
- Grantees must adopt procedures to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, religion, sex, familial status, national origin or disability.

Affirmative Marketing

- Is there documentation in the file showing that the Grantee followed their affirmative marketing plan?



CHDO Proceeds

- Is the Grantee maintaining a CHDO proceeds report?
- Are the CHDO proceeds being used in accordance with the Working Agreement?