



OHCS - APICIA DOWN PAYMENT ASSISTANCE PROGRAM

This Procedural Guide is for the use of Participating Lenders, Homeownership Education Providers and Grant Applicants of the Asian and Pacific Islander Community Improvement Association.

INTRODUCTION:

The Asian and Pacific Islander Community Improvement Association (APICIA) is a non-profit community organization incorporated on May 4, 2004 to promote homeownership among the diverse Asian and Pacific Islander (API) communities in Oregon and SW Washington. APICIA was formed from efforts of an ad hoc committee known as the Asian Home Buying Fair Association AHBA that was organized in late 1999 to sponsor home ownership fairs targeting the API community. The AHBA and its work has been supported by funds from public agencies, housing industry representatives, the lending and real estate communities, and non-profit housing agencies. AHBA sponsored its first home buying fair in June of 2000 and since then, sponsored the fairs on an annual basis reaching thousands of limited-English speaking API community members with important home buying information and access to home buying resources.

During the past years, APICIA has helped many API community members acquire knowledge of the home buying process including understanding the roles of real estate agents, inspectors, leading institutions and non-profit housing providers. Through home buying education workshops, families have become aware of the importance of budgeting and how to establish and maintain a good credit history in order to qualify for mortgage loans. Additionally, families have learned about the dangers of Predatory Lending Practices and how to avoid becoming a victim.

APICIA will continue its community service to the API community to ensure their access to home buying resources without any restriction or limitation due to race, national origin or language differences.

Effective March 1, 2011 APICIA will be expanding its service to the API community to help first-time home- buyers reach the American dream of homeownership. It has reserved \$50,000.00 to establish a new **APICIA Down Payment Assistance Program**, funded by Oregon Housing Community Services (OHCS) providing grants up to \$2,000.00 for each qualified individual and household. This program is limited to the first Twenty-five (25) qualified individuals or families and will continue until **February 28, 2013**.

Any lender who participates as a sponsor or vendor of the 2011 Asian and Pacific Islander Home Buying Fair or any one of the participating realtors and community partners may access the funds on behalf of the qualified individuals and families. The \$2,000.00 grants will be disbursed through escrow companies at the time of closing.

This procedural guide will assist participants with information to learn about the eligibility requirements of APICIA's Down Payment Assistance Program. If you have any questions about this program, please contact APICIA Program Manager Freddie Mamaril at 503-799-8421.

PROGRAM PARAMETERS

Use of Grant Funds:

APICIA grant funds must be used for down payment and closing costs incurred by an eligible first time homebuyer in purchasing an eligible property anywhere in Oregon. Funds to be disbursed to Escrow Company at time of closing. *Applicants do not apply for the grants. Participating lenders initiates and applies for the applicants.*

Eligible Recipient:

To be eligible for APICIA Down Payment Assistance Program, the recipients must:

- Be a first-time homebuyer who has not owned a home within the past three years.
- Earn a total household income of 80% or less than the area median income adjusted by household size, as determined by the US Department of Housing and Urban Development (HUD), a legal Oregon resident at the time of application or be pursuing permanent residency status.
- Occupy the property as his/her sole and primary residence.
- Successfully complete a HUD approved Homeownership Education program with Certificate prior to loan closing. If you do not have homebuyer education courses available in your area of the state, please contact APICIA program manager Freddie Mamaril at 503-799-8421.
- The maximum Liquid Asset Limit (excluding retirement investments) after closing is \$10,000.00.
- The property must meet the first mortgage lender's minimum property standards.
- Home buyers must have clear title to their homes.
- Eligible Home Types: Single family homes, defined as one unit residences including condominiums, or manufactured homes and the lots on which they are located.
- Eligible Ownership Forms: Fee-simple title, ownership of a condo unit, 99 year lease, or membership in a coop or mutual housing association that constitutes ownership under Oregon Law.
- Closing costs, principal write-down assistance, and interest rate subsidies that are commonly accepted as reasonable are all eligible costs.
- Be able to qualify for a standard mortgage loan product, such as FHA, VA, Rural Development, conventionally insured mortgage loan that is Fannie Mae and Freddie Mac approved, State Bond and Community Reinvestment Act (CRA) type home loan products.

Eligible Properties:

To be eligible for APICIA Down Payment Assistance funding, the property being purchased must:

- Be a one-unit, single-family property located in Oregon. Eligible properties may be either a newly constructed or existing home and may be either detached or attached homes such a townhouses or condominiums. Manufactured homes located on and sold with real property may also qualify if they otherwise meet all applicable loan program requirements.
- Be in an improved condition, such that the improvements and real property satisfies all relevant property and inspection requirements for the type of loan being utilized (State Bond, FHA, VA, RD, Conventional or other approved loan program).

Grant Fund Terms:

Each APICIA grant fund shall be in the amount of \$2,000.00 until February 28, 2013, or until all the funds are depleted whichever comes first. *The APICIA Down Payment Assistance Program fund is a grant and does not need to be repaid.*

Eligible Participating Lenders:

To be eligible to participate in the APICIA Down Payment Assistance Program, the lender must participate as a vendor or sponsor of APICIA 2011 Home Buying Fair or any one of the participating realtors and community partners. (www.apicia.org)

STEP-BY-STEP PROCEDURES

Step I: Homebuyer Fair and Education

1. Applicant attends the workshop during the APICIA Home buying Fair or attends the special orientation class presented by APICIA if unable to attend the Fair.
2. Attends the HUD approved Homebuyer Education course from a HUD approved Homeownership Education Providers.
3. Participating lenders can access this “Step by Step Procedure” on the APICIA website: www.apicia.org

Step II: Initial Assessment and Prequalification

1. Interested homebuyer contacts a participating lender
2. The lender performs an initial assessment of the homebuyer's eligibility includes endorsing on Form 1 and 3 that the borrower:
 - a. Is a first-time homebuyer
 - b. Has a household income less than 80% of the area medium income adjusted for household size?
 - c. Is reasonably likely to qualify for an eligible first mortgage loan and is likely to need down payment and closing cost assistance to purchase his/her first home
 - d. The borrower must purchase a home meeting all APICIA requirements.

Step III: Loan Application and Subsidy Determination

1. The borrower completes an application for a Conventional, FHA, VA, or Rural Development mortgage loan. The lender confirms that the homebuyer and property are eligible for the APICIA Down Payment Assistance Program.
2. The lender completes *all the required forms and fax to 503-530-8421 or emails the signed forms to contact@apicia.org (see the list of documents needed under "Documents Needed for Submission")*

Step IV: Reserving APICIA Funds

The lender reserves Grant Funds, once a fully executed purchase contract is accepted, by faxing *Form #1 "APICIA Reservation Request"* and within five (5) business days of receiving accurately completed Form #1, program staff will fax a confirmation certificate of the APICIA reservation to the lender. Reservations will be valid for 90 calendar days. If a reservation extension is needed, please email: contact@apicia.org

NOTE: Granting of a reservation is not a guarantee of funding. Remittance of funds is subject to compliance with APICIA requirements and is subject to the availability of funds.

Step V: Mortgage Loan Processing

1. The lender completes standard loan underwriting processing for the homebuyer and the property as determined by the lenders normal procedures and type of loan being utilized.
2. If at any point during the underwriting process the lender determines the homebuyer does not meet APICIA requirements, the lender must immediately notify program staff to cancel the reservation.

Step VI: Request for Funding, Preparing Loan Documents & Loan Closing

1. At least 10 days prior to the loan closing, the lender must fax in *Form #3 "Notice of Loan Closing and Request for Funds"* to program member Fax @503-530-8421. Be sure to include the name, address, and phone number of the closing agent on the form.
2. APICIA member will prepare and mail the funds to the closing agent as designated on Form #3. Every effort will be made to provide funds at the closing; however, it is the ultimate responsibility of the lender to make sure the necessary funding is available at closing.

Step VII: Post Loan Closing and Funding

1. Immediately after the loan closing, the lender must fax copy of the following to APICIA staff #503-530-8421 or email contact@apicia.org
 - Final HUD Settlement Charges

See "DOCUMENTS NEEDED FOR SUBMISSION" for a list of items needed for initial submission.

