



Clay County
SHIP Program

LENDER GUIDELINES



CLAY COUNTY SHIP PROGRAM
2471 STATE ROAD 16 WEST
P.O. BOX 1366
GREEN COVE SPRINGS, FL 32043
OFFICE (904) 278-4700/529-4700
FAX (904) 278-4786/529/4786

OBJECTIVE:

The Clay County SHIP Program and local financial institutions will partner together to assist in providing down payment, closing cost, and financing to enable very-low, low, and moderate income first time homebuyers* to purchase affordable housing. Approved SHIP applicants, using SHIP funds, will be provided a second mortgage with 0% interest and no monthly payments. Repayment occurs in the event the mortgagee transfers, assigns, sells, mortgages, refinances, rents or in any manner disposes of all or a portion of the property.

BORROWER QUALIFICATIONS:

- ❖ Must be a first time homebuyer as defined by Clay County SHIP guidelines.
- ❖ Meet income guidelines as established by the Florida Housing Corporation income limits adjusted to family size. Income guidelines change yearly and become effective immediately with or without notice to lenders and applicants. Current income guidelines are attached.
- ❖ Applicants must attend Home Buyer Education Class and receive a Certificate of Completion.
- ❖ Applicant must be approved by a financial institution for a home loan before SHIP mortgage dollars will be approved.
- ❖ Applicant must pay a minimum of \$500.00 or one percent (1%) of the contract price (whichever is greater) towards closing and can be applied to customary closing costs (including home insurance), down payment, or buy down of mortgage or interest rate. Applicant credit report cost *is* considered as part of 1% contribution.

*First time homebuyer: (1) Never owned a home, (2) Have not owned a home in the last 12 months or, (3) Mobile home owner.

NOTE:

Changes in the homeowners programs may change with or without notice to lenders and/or applicants. If you have any questions call the Clay County SHIP office.

PROPERTY QUALIFICATIONS:

- ❖ **NO MOBILE HOMES.** Manufactured housing can qualify if the Florida Department of Community Affairs certifies that it was constructed to meet Florida Building Code standards.
- ❖ House must be located in Clay County.
- ❖ House can be located in city limits or the county.
- ❖ Single unit structures.
- ❖ Single-family attached/detached condominiums.
- ❖ Sales price limits for new or existing home: \$247,500



LENDER'S FIRST MORTGAGE PARAMETERS:

- ❖ Interest rate cannot be more than 2% higher than the prevailing rate.
- ❖ Good Faith Estimate cannot show more than a **43%** debt to income ratio after purchase. Good Faith Estimate must be provided to the SHIP office.
- ❖ No seller held financing.
- ❖ Payment must include escrowed taxes and insurance.
- ❖ No adjustable rate mortgages. Interest rate will be a fixed rate for the full term of the loan not to exceed thirty years.

REPAIRS:

Existing homes must have a home inspection by an ASHI or NACHI certified home inspector. A 4 point certification is also required from the ASHI or NACHI inspector indicating the dwelling is structurally sound, the remaining life of the roof is at least 5 years and that the electrical, plumbing, heating and A/C are adequate. The purchase and sales agreement must require the seller to pay for any required repairs (up to a maximum of \$1,000). If the buyer finds an existing home which needs additional repairs for code violations, they may qualify for SHIP funds to make those repairs. Call the SHIP office before making an offer on a home. There is no repair requirement on newly constructed (never occupied) units.



CLOSINGS:

- ❖ All closings will be conducted in Clay County.
- ❖ The closing agent is responsible for recording the SHIP mortgage.
- ❖ SHIP recording fees and documentary stamp tax are part of the closing costs.
- ❖ SHIP mortgages are exempt from intangible taxes (Section 199.183 (1), F.S.)



- ❖ **SHIP Loans take approximately 3 weeks to process. In order to avoid delays in closing, it is VERY IMPORTANT that the lender / realtor / closing agent notifies the SHIP office of the closing date & time as soon as possible.**

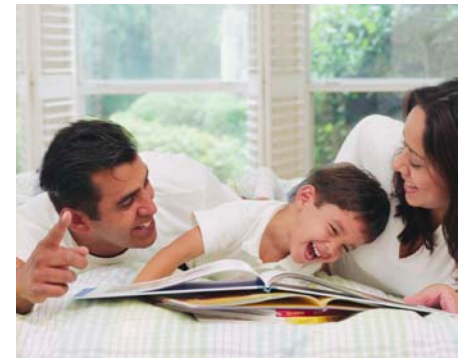
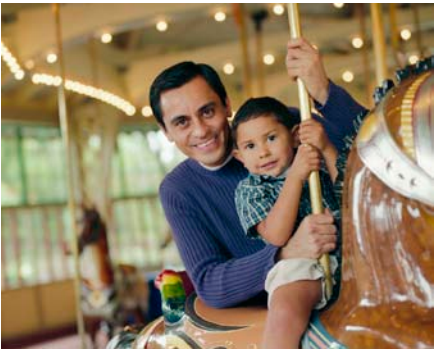
BORROWER DISQUALIFICATION:

- ❖ Failure to obtain SHIP approved first mortgage loan.
- ❖ Exceed income limits as established by SHIP guidelines.
- ❖ Income classification is closed.
- ❖ Failure to qualify as a first time homebuyer* as defined by Clay County SHIP.
- ❖ Failure to file federal income tax.
- ❖ Delinquent on child support and/or alimony payments.
- ❖ Not yet discharged from a bankruptcy petition.
- ❖ Entering into a sales agreement/contract prior to receiving a Letter of Commitment.
- ❖ Withholding information and/or misstatement of information or material provided.
- ❖ Failure to provide the following:



Bank, credit union, retirement, investment or other financial information.
Full or part-time employment of any household member.
All sources of annual income, including earned, unearned and asset income on all household members.

*First time homebuyer: (1) Never owned a home (2) Have not owned a home in the last year (3) currently a mobile home owner.



**Florida Housing Finance Corporation
2010 Income Limits Adjusted to Family Size
Effective May 14, 2010**

<u>Family Size</u>	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>	<u>Five</u>	<u>Six</u>	<u>Seven</u>	<u>Eight</u>	<u>Nine</u>	<u>Ten</u>	<u>Eleven</u>	<u>Twelve</u>
<u>ELI</u>	13,850	15,800	17,800	19,750	21,350	22,950	24,500	26,100	27,650	29,230	30,810	32,390
<u>Very Low</u>	23,050	26,350	29,650	32,900	35,550	38,200	40,800	43,450	46,060	48,692	51,324	53,956
- <u>Low</u>	36,900	42,150	47,400	52,650	56,900	61,100	65,300	69,500	73,710	77,922	82,134	86,346
- <u>Moderate</u>	55,320	63,240	71,160	78,960	85,320	91,680	97,920	104,280	110,544	116,861	123,178	129,494

Median 65,800.00





CLAY COUNTY FLORIDA

State Housing Initiative Partnership Program

PO Box 1366
2741 State Road 16 West
Green Cove Springs, FL
32043

Area code: 904
Phone: 529-4700
278-4700
Fax: 278-4786

County Manager
Fritz A. Behring

Commissioners:
Wendell D. Davis
District 1
Douglas P. Conkey
District 2
W. Travis Cummings,
Chairman
District 3
T. Chereese Stewart
District 4
Ronnie E. Robinson
District 5

Switchboard:
GCS (904) 284-6300
KH (352) 473-3711
KL (904) 533-2111
OP/MBG (904) 269-6300

www.claycountygov.com

Verification of Mortgage Pre-Approval

To All Mortgage Lenders:

The following information **MUST** be provided to the Clay County SHIP Office by mail or fax as soon as the applicant has been approved for the mortgage loan. The applicant **WILL NOT** receive SHIP assistance until this information has been provided.

- 1) **Name of applicant(s):** _____
- 2) Maximum amount the applicant(s) has been pre-approved for: _____
- 3) Maximum Purchase price the applicant(s) has been pre-approved for: _____
- 4) Provide lending rate on this mortgage: _____% (Must be 30 year, fixed rate)
Front end ratio _____% Back end ratio _____% (**Can't exceed 43%**)
- 5) Name of Mortgage Company: _____
- 6) Print Name of Mortgage Rep: _____
- 7) Telephone: _____ Fax: _____

REMINDER:

- 1) **Closing dates and times must be scheduled through the Clay County SHIP office.**
- 2) **All closings must take place in Clay County.**

Lending Agency Signature

Date

Please sign and fax this information to (904) 278-4786. The Clay County SHIP office must receive this form before SHIP approval can be issued. If you have any questions, please call our office at (904) 278-4700/4704 or (904) 529-4700/4704.