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TUNICA BILOXI DOWN PAYMENT ASSISTANCE PROGRAM & APPLICATION

These policies and procedures were reviewed and approved by the Tunica-Biloxi Housing Board Committee: November 16, 2021 (date)

These policies and procedures were adopted by the Tunica Biloxi Tribal Council on: Resolution # _____ on _____, _____. (date)

Policy Statement

The purpose of the Tunica-Biloxi Housing Department (TBHD) Down Payment Assistance (DPA) program is to provide the members of the Tunica Biloxi Tribe of Louisiana with a one-time, affordable homeownership financing opportunity to help improve the quality of life in the tribal communities.

The TBHD's Down Payment Assistance Program shall comply with all applicable regulations of the Native American Housing Assistance and Self-Determination Act of 1996 (as amended) (NAHASDA) along with other applicable rules and regulations. The Tunica-Biloxi Housing Department (TBHD) Director with the approval of the governing body shall be responsible for periodically amending this policy to comply with any applicable laws or regulations.

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1. PROGRAM DESCRIPTION

The Down Payment Assistance Program is specifically designed to increase the availability of affordable housing by addressing homeownership on several levels. It combines TBHD's Indian Housing Block Grant (IHBG) funds with private first mortgages, thereby multiplying many times over the number of native families who can be assisted with TBHD's grant.

A. Eligibility

The Down Payment Assistance Program is available to low-income Tunica Biloxi families off and on the reservation with gross incomes at or below 80% of the median income adjusted for family size. The current income limits shall be attached to this policy.

B. Credit

Down Payment Assistance Program borrowers must meet the credit requirements of the first mortgage lender (bank/lender). Applicants will be pre-screened to determine credit worthiness. TBHD will assist applicants in demonstrating that they have stable income and the ability and willingness to meet financial obligations.

C. Affordability

Down Payment Assistance funds are available to buy down the cost of owning a home. This results in a lower mortgage amount and lower monthly payments. TBHD funds will be in the form of a second mortgage with no monthly payments. This second mortgage is gradually forgiven over the affordability period; thus, eventually converting it to homeowner equity.

Cash Flow

Down Payment Assistance may include payment of reasonable loan closing costs associated with the first mortgage and TBHD's second mortgage.

Support

Trained staff will assist eligible applicants in successfully completing an application with a bank/lender for a first mortgage loan.

Counseling

Borrowers will be required to participate in homebuyers' classes and one-on-one counseling designed to assist new homebuyers in understanding and fulfilling the responsibilities of homeownership.

D. Maximum Loan Amount

The maximum amount of assistance for each homeowner will be \$8,000, including down payment and closing costs.

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2. ASSISTANCE AVAILABLE

The following is a list of the assistance offered at this time:

Down Payment

TBHD may provide funds to buy down the amount of the first mortgage up to a level consistent with the homebuyer's affordability but no more \$8,000 per applicant for down and closing costs.

Closing Costs

Funds are available from TBHD to pay all or a substantial part of, the closing costs of the first mortgage loan. This assistance is limited to actual, reasonable closing costs.

3. BORROWER ELIGIBILITY

A. Native Restriction

Assistance is only available to enrolled Tunica Biloxi members.

B. Income Limitations

Participation in the Down Payment Assistance Program is limited to low-income families as defined in the TBHD established income limits. Participants will be required to provide documentation to verify the determination of low-income status.

C. Homeownership Counseling Classes.

The applicant must successfully complete TBHD's approved home ownership-counseling curriculum. The TBHD's Housing Program Coordinator shall approve the curriculum.

4. FIRST MORTGAGE LOAN

(1) The applicant must be able to obtain a mortgage loan with an eligible lender for the maximum affordable amount for which the borrower qualifies. The lending institution must be willing to recognize TBHD's Down Payment Assistance Program and its requirements. The borrower will sign a Release of Information form so that TBHD is able to share information with the lending institution.

(2) The lending institution must, as a part of its mortgage loan, require purchase of property insurance and must escrow the insurance payments.

A. Assets

The applicant shall not own any other residential property. An exception may be made for inherited property.

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B. Employees

Employees, agents, officers or elected or appointed officials of TBHD are eligible for loans under this program. The TBHD Director must approve all such loan applications. Employees, agents, officers or elected or appointed officials must comply with 24 CFR Parts 1000.30, 1000.32, and 1000.34 regarding conflict of interest.

5. INELIGIBILITY

Applicants will be considered ineligible for one or more of the following reasons:

- Providing false information on the application;
- Failing to complete required forms or to supply requested information;
- Committing fraud in connection with any TBHD program, or failing to disclose previously committed fraud in connection with any TBHD program;
- Appearing on HUD's list of suspended, debarred and limited denials of participation;
- Having a record of eviction from any government assisted housing program;
- Having an outstanding debt owed to any public or Tribally Designated Housing Entity;
- Noncompliance with any provisions of this policy; and/or
- Other reason as identified by the TBHD.

6. WAITING LIST / APPLICANT POOL

A. SELECTION PRIORITY

The Down Payment Assistance Program is operated on a first-come first-served basis subject to the availability of funds.

B. PLACEMENT

TBHD will maintain a list of eligible applicants based on the date and time the completed application is received by TBHD.

C. FUNDING AVAILABILITY

If funds are unavailable for the Down Payment Assistance Program, TBHD may suspend or discontinue accepting applications until funds become available.

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7. RESERVATION OF FUNDS

Funds will be reserved for each applicant when the loan application is complete, including a copy of the Earnest Money Agreement and all information required by the first mortgage lender.

Funds will be reserved for 30 days and may be extended for 30 days at a time, up to 90 days total.

8. PROPERTY REQUIREMENTS

The owner must meet the following property requirements during the life of the loan:

- A. The home must be the primary residence of the owner, at least 9 months per year.
- B. The property can be located within TBHD's Indian area as defined in its IHP or off the reservation.
- C. The property must be a single-family residence, including condominium, townhome, manufactured or modular home.
- D. The initial purchase price of the home may not exceed 150% of the Total Development Cost limits established by the TBHD for the type of single family housing for the area. The TBHD may use HUD established Total Development Cost limits.
- E. Each home purchased with Down Payment Assistance funds must meet at a minimum the federal Section 8 Rental Assistance Program Housing Quality Standards (HQS) minimum requirements, or when FHA financing is involved, the Minimum Property Standards as verified by an inspection performed by a qualified person. Newly constructed housing must also meet the Model Energy Code published by the Council of American Building Officials and the Uniform Building Code.
- F. The property appraisal must address environmental impact in accordance with the National Environmental Policy Act.
- G. Lead based paint prevention requirements apply to housing acquired under this program. TBHD requires the seller to certify that there is no lead based paint in the home.
- H. If the owner selects a home in a flood plain, flood insurance must be obtained in an amount adequate to cover the first and second mortgage loan in compliance with 24 CFR 1000.38. The owner must provide a certification of insurance to TBHD annually.
- I. The owner shall be responsible for an Insurance coverage required by the lending institution.

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9. REPAYMENT/RECAPTURE OF THE LOAN

- A. Interest:** No interest is charged for TBHD's deferred loan.
- B. Affordability:** The affordability period commences on the date of recordation.
- C. Prorated Deduction:** The deferred loan amount will be forgiven on each annual anniversary of the loan recordation in accordance with Table 1.

Table 1: Useful Life

<u>IHBG INVESTMENT</u>	<u>Affordability Period</u>
\$0 - \$5,000	6 months
\$5,001 - \$15,000	5 years
\$15,001 - \$25,000	6 years
\$25,001 - \$50,000	7 years
\$50,001 & over	10 years

D. Resale or Transfer of Property

If the property is sold (or the title is otherwise transferred) and ceases to be the borrower's primary residence, the unforgiven portion of the loan will be due and payable to the TBHD.

E. Forfeiture of Assistance

If the TBHD determines that any of the representations made by the recipient of down payment assistance funds set forth in the application were not true or correct, the recapture provision will be accelerated.

Options for repayment of down payment assistance funds in the event of false information being provided at the time of application or thereafter for home purchases include **but is not limited to:**

- Repayment on a monthly basis according to recipient's affordability analysis
- Deductions from per-capita benefits (when applicable)

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10. CERTIFICATION OF RESIDENCY

The property must remain the borrowers' primary residence throughout the term of this loan. Borrowers will be required to sign an annual affidavit stating the amount of time they lived in the house as their primary residence during the previous year. If they did not live in the house for at least 9 of the previous 12 months, the loan will be considered to be in default, TBHD's Director will review each default and consider the appropriate course of action.

11. RESALE RESTRICTION

Documents for the DPA Program shall include resale restrictions

12. TRANSFER OF HOME

If the homebuyer no longer desires to own the property and intends to sell or otherwise transfer title, the homebuyer must notify TBHD of their intent in writing. Upon receipt of the notice, TBHD shall then have the right to exercise its right to recapture any grant funds if it falls within the applicant's affordability period.

13. COUNSELING

- A.** All applicants will be required to attend a TBHD approved homebuyer counseling class prior to loan approval. The purpose of this requirement is:
- (1)** To enable the applicant to understand the responsibilities that accompany participation in TBHD's Down Payment Assistance Program.
 - (2)** To enable the applicant to understand the home buying process,
 - (3)** To enable the applicant to understand and prepare to assume homeownership responsibilities and tasks
- B.** Applicants will also be required attend Post-Occupancy counseling through the TBHD within 3 months of post-occupancy. Failure to attend within three (3) months of occupancy could result in the recapture of the down payment assistance grant. Post-Occupancy counseling may include the following:
- (1)** Budget Counseling
 - (2)** Home Maintenance
 - (3)** Homeownership Responsibilities and Tasks
 - (4)** Refresher TBHD's Down Payment Assistance Program requirements.
- C.** Any counseling required by the lender or TBHD shall be at no cost to the homebuyer.

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14. PAYMENT OVERSIGHT

- A.** TBHD shall work with the homebuyer to ensure the success of their home ownership. If, for any reason, the first mortgage loan becomes delinquent, the lender shall contact TBHD. Upon receipt of any delinquent notices, TBHD staff may contact the homebuyer to assist in resolving the problem. This intervention does not, in any way, diminish the homeowner's responsibilities to the first mortgage lender and does not include a financial assistance commitment from the TBHD.
- B.** If a homebuyer is found to be in default of any portion of the first mortgage documents, TBHD may provide or refer the home buyer to financial counseling in an effort to resolve the problem, and may:
 - (1)** Arrange a meeting with the homebuyer to discuss the default;
 - (2)** Work with the homebuyer to develop a specific plan of action to correct the default;
 - (3)** Monitor the homebuyer's plan of action until the default is corrected.

15. APPEALS PROCESS

- A.** Individuals or families who have applied for the Down Payment Assistance Program and who, for any reason, have been determined to be ineligible will be notified by TBHD in writing. The notification shall state the reasons for ineligibility. All information relative to the rejection of the applicant shall be documented and placed in the applicant's file.
- B.** An applicant who has been determined ineligible for the Down Payment Assistance Program may request a second determination within 30 days of the date on the written notification. The applicant may resubmit eligibility documentation at the time of the second determination. A written notification of selection or denial will be provided based on the information submitted by the applicant. Other recourses for appealing a TBHD decision may also be available and will be described in each letter of denial sent to the applicant.

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Tunica Biloxi Tribe of Louisiana

Down Payment Assistance Application

The Tunica Biloxi Tribe of Louisiana Housing Department (TBHD) provides low-income housing and the Down Payment Assistance Program (DPA) through the use of NAHASDA funds. The DPA program provides down-payment assistance to eligible, low-income, enrolled members of the Tunica Biloxi Tribe of Louisiana.

To qualify for the TBHD DPA Program, all required documents and forms must be signed and submitted to TBHD for processing. Please contact the Housing Department with questions regarding this process.

To ensure that your application is processed without delays make certain that all forms are signed and all required documentation is provided when returning the application. Please make a note if you are sending any original documentation and TBHD will copy them and send the originals back to you.

- TBHD Down Payment Assistance Application
- Copies of two most recent year's tax returns and W-2 forms (Please send only copies)
- Copies of last 3 months' bank statements
- A copy of paycheck stubs from last thirty (30) days
- Copy of driver's license/photo ID
- Copy of Social Security cards
- Copy of Tribal enrollment card or certificate
- Section 184 Program Loan Opinion & Credit Report Consent
- Release of Information and Consent to Share Information forms
- Homebuyer Education Certificate*

**A Homebuyer Certificate is one of the requirements for eligibility. Please contact TBHD to enquire about the Homebuyer Education classes which are offered to our program participants. Also, enclosed are some other resources which can assist you in securing a certificate. If you find a different source for the Homebuyer Education Certificate, please contact TBHD to make sure that the class will meet the requirements for the program.*

It is the responsibility of the applicant to submit all necessary information for the certification process and to keep all information current. The Down Payment Assistance Program is operated on a first-come first-served basis subject to the availability of funds. ***TBHD will not accept any faxed signatures.***

If you have any questions, please don't hesitate to call (318) 240-6446.

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11. Tribe: _____ Enrollment Number: _____

B. Family Information

12. **Family Composition:** List all other persons living in household on a permanent basis. Start with the oldest and provide Social Security Numbers for those over age 18.

Name	Date of Birth	Social Security Number	Relationship to Applicant	Tribe/Roll Number

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

C. Income Information

13. **Earned Income:** Start with applicant, then list all permanent family members at least 18 years old who are listed under Part B and have earned income. Provide pay stubs for verification.

Name	Annual Earned Income	Source of Income & Address & Fax#	Name of Supervisor

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

Total annual earned income: \$ _____

14. **Unearned Income:** Start with applicant, then list all permanent family members at least 18 years old who are listed under Part B and have unearned income such as social security, retirement, disability and unemployment benefits, child support and alimony, royalties, per capita payments, interest, etc. Provide check stubs, statements, individual Indian Money (IIM) ledgers, etc. for verification.

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Name	Annual Unearned Income	Source of Income

Total annual unearned income: \$ _____

15. Total combined annual household income (earned + unearned): \$ _____

C. Housing Information

16. Have you ever owned your own home? _____ Yes _____ No

D. General Information

17. Have you or anyone in your household ever received Down Payment Assistance? _____ Yes _____ No

If yes, please give the dates of assistance & program:

18. Do you own any other house(s) not occupied by your family?
 _____ Yes _____ No

If yes, state where the house(s) is located and who occupies the home:

19. If you do not own the land, do you have any of the following?
 _____ Leasehold interest _____ Use permit
 _____ Indefinite assignment or joint ownership

If so, please explain:

20. Do you live in a Lease Purchase Unit? _____ Yes _____ No

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21. If you are requesting assistance for a new housing unit or purchase of an existing standard unit, have you applied for assistance from any of the following?

USDA _____ Yes _____ No
Date of application _____

FHA: _____ Yes _____ No
Date of application _____

Neighbor Works: _____ Yes _____ No
Date of application _____

Section 184 Loan Guarantee Program _____ Yes _____ No
Date of application _____

If yes, please provide written proof of denial or pre-approval from these sources or any other sources not listed.:

E. Applicant Certification

(Read this certification carefully before you sign and date your application.)

I certify that all of the answers given are true, complete and correct to the best of my knowledge and belief, and they are made in good faith.

This certification is made with the knowledge that the information will be used to determine eligibility to receive financial assistance, and that false or misleading statements may constitute a violation of 18 U.S.C. 1001.

Applicant's Signature

Date

Spouse/Significant Partner Signature
(If applicable)

Date

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