



LONG ISLAND HOUSING PARTNERSHIP, INC
VILLAGE OF HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY
FIRST-TIME HOME BUYER AFFORDABLE HOUSING PROGRAM

PROGRAM GUIDELINES

Please read carefully and retain these guidelines as they contain important program information.

**FIRST-COME FIRST-SERVED APPLICATIONS ARE BEING ACCEPTED COMMENCING
 9:00 AM ON SEPTEMBER 15, 2023.**

The Long Island Housing Partnership (LIHP), in cooperation with the Village of Hempstead Community Development Agency (“Village CDA”), is pleased to announce that it is accepting Applications, on a first-come first-served basis, for one newly rehabilitated home in the Village of Hempstead located at 40 Byrd Street, Hempstead, New York. Set forth herein are the Program Guidelines with respect to eligibility for the units.

LIHP is responsible for implementing and administering the application and qualification process for the unit on behalf of the Village CDA. LIHP strictly complies with these Program Guidelines and applicants are urged to read them thoroughly. Applications will be reviewed for compliance and completeness. LIHP staff is available to assist with the application, answer questions or provide any assistance regarding eligibility. LIHP also provide free mortgage counseling. If you have any questions regarding any of the Program Guidelines, or need assistance including translation and/or oral interpretation services, please call LIHP at 631-435-4710 or email LIHP at info@lihp.org before applying. Submission of required documentation or determination of income eligibility does not guarantee the purchase of a home. PLEASE BE ADVISED THAT THE PROGRAM GUIDELINES ARE SUBJECT TO CHANGE IN THE EVENT NEW REQUIREMENTS ARE ADOPTED BY THE VILLAGE CDA.

APPLICATIONS ARE REVIEWED ON A FIRST-COME FIRST-SERVED BASIS.

APPLICATIONS MAY ONLY BE SUBMITTED BEGINNING 9:00 AM ON SEPTEMBER 15, 2023. THE SUBMISSION PERIOD WILL BE OPEN UNTIL FURTHER NOTICE AS DETERMINED BY THE VILLAGE CDA. PLEASE CONSULT LIHP’S WEBSITE FOR UPDATED INFORMATION.

NO APPLICATIONS WILL BE ACCEPTED BEFORE SEPTEMBER 15, 2023

Program Description

The Village CDA is renovating one single family detached home located at 40 Byrd Street in the Village of Hempstead, NY 11550. The unit is a single-story structure of approximately 878 square feet containing three bedrooms and 1 bath. The house will be sold fully renovated with central A/C and the contractor will



provide manufacturer warranties for the products/materials installed and a one-year guarantee for workmanship.

Each home will be available to income eligible first-time home buyers with incomes that do not exceed 80% of the Area Median Income (AMI) for Nassau/Suffolk County, adjusted for household size, as determined by the U.S Department of Housing and Urban Development (HUD). Income is verified at the time a Contract of Purchase is signed. Additional eligibility requirements apply as set forth herein.

Purchase Price

The unsubsidized purchase price is estimated to be \$385,000. The subsidized purchase price is estimated to be \$360,000 after factoring in a \$25,000 down payment assistance CDBG grant available through the Village CDA. All subsidies are subject to funding availability and program requirements. Applicants will apply directly to the Village CDA for the subsidy. Information regarding the subsidy is available by contacting the Village CDA at 516-485-5737 ext. 226. LIHP does not administer the subsidy program.

Taxes

Annual taxes are estimated to be approximately \$11,000. Please note that these are estimates as provided by the Village CDA only, is not a guarantee of the required taxes, and the applicant shall independently confirm same with the Village CDA and/or the applicable municipality.

PROGRAM ELIGIBILITY

In order to be eligible to participate in the Program, a homebuyer must meet all eligibility requirements including income limits, homebuyer contribution requirements and have an acceptable credit history as defined by the standards contained in these guidelines. These standards reflect the objective that the housing being developed is affordable to and sustainable by the homeowner.

Income Guidelines

The maximum permitted total annual **household** income for purchasers in the Program shall not exceed 80% of AMI as determined by HUD at the time of execution of a Contract to Purchase.

Maximum allowable income at 80% AMI*:

Household Size	Maximum Total Annual Household Income **
1	\$86,200
2	\$98,500
3	\$110,800
4	\$123,100
5	\$132,950
6	\$142,800
7	\$152,650
8	\$162,500



*Based on 2023 HUD median uncapped income guidelines. Income limits may change annually based on HUD established Nassau/Suffolk median guidelines and for purposes of rounding adjustments.

**Income includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Total household income minus allowable exclusions cannot exceed the maximum annual income listed above for your household size. LIHP must project the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification.

Asset Limitation Policy

The mission of LIHP is to provide affordable housing opportunities to those who, through the ordinary, unaided operation of the marketplace, would be unable to secure decent and safe homes. Therefore, there is an established limit on the amount of assets a household may have to be eligible for this program. After deducting the purchaser’s cash investment and estimated closing costs, **any household with net liquid assets of more than 25% of the unsubsidized purchase price will be deemed ineligible for this program.** Equity in real property IS INCLUDED in the asset calculation. A determination of ineligibility based on the foregoing may be appealed by submitting a written request to LIHP within 7 business days following the notice of ineligibility. The appeal will be determined by LIHP, with the approval of the Village CDA, after examining the applicant’s full economic situation and other possible extenuating circumstances to determine if they would be able to purchase a home without the assistance. If it is determined that because of their assets, a household would be able to purchase a home without the assistance and if no relevant extenuating circumstances exist, the household will be deemed ineligible for the program.

First Time Home Buyer Requirement

This program is limited to first-time homebuyers only as described below:

- A household that has not owned a home during the three-year period immediately prior to the date of application for assistance is considered to be a first-time homebuyer.
- Applicants may own vacant land or a vacation timeshare provided that they have not received the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application for assistance.
- Applicants who do not hold title to a home but did receive the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application are not considered first-time homebuyers.
- Please contact LIHP with any questions regarding this requirement.

Home Buyer Contribution

Applicants, at time that the application is submitted to LIHP, must have a minimum of 3% of the purchase price in savings and/or checking accounts (not a gift) or verifiable liquid assets from their own funds to apply towards the down payment. **The amount required for a 3% down payment must be shown in the most recent bank statements.** The bank statements submitted must show the bank name, account holder’s name and account number with a detailed list of transactions. At a minimum, the applicant should expect to need sufficient funds of 5-10% of the sales price for down payment and closing costs.

Gift Letter

LIHP will allow a gift letter from an immediate family member stating that the money provided is in the form of a gift and will not have to be repaid. This letter must be signed, notarized and submitted with the Application. This gift contribution **cannot** be used towards meeting the required minimum 3% home buyer



down payment contribution referenced above.

Principal Residence Requirement and Annual Certification

Applicants must occupy the property as their Principle Residence. Occupants who purchase a home will be required to certify to the Village CDA on an annual basis that they are occupying the home as their principal residence.

Affordability/Re-Sale & Recapture Restrictions

The home is assisted with HUD funds provided by the Nassau County Office of Community Development HOME Program and the Village of Hempstead Community Development Block Grant Program. Therefore, restrictions apply as determined by Nassau County and the Village CDA.

The home must remain affordable for a period of fifteen (15) years from the date of closing and must remain the principal residence of the buyer. The buyer will be required to execute such documentation as the Village CDA and Nassau County may require which may include a Note and Mortgage and/or Covenants & Restrictions restricting the use and sale of the property and the resale price and subjecting the funds to recapture if the program requirements are not met. Such restrictions will be recorded as a lien against the property.

Citizenship

Each applicant must be either a U.S. Citizen or a Qualified Alien, as defined at 8 USC 1641.

Pre-Purchase Home Ownership Counseling

Eligible applicants are required to attend homebuyer pre-purchase home ownership counseling. Certified counselors through LIHP will conduct the counseling. There is no charge for the counseling. **Please do not make an appointment for counseling until you receive a formal letter from LIHP that you are eligible for the program.**

Mortgage Ability

Applicants must have adequate resources and credit to qualify for a home mortgage, if applicable. LIHP can assist qualified applicants in securing a mortgage. However, it is the sole responsibility of the applicant to secure a mortgage. Applicants must submit to LIHP all standard documentation required for mortgage processing, including signed copies of the last three years of their Federal Income Tax Returns, W-2 forms, 1099 statements, four (4) most recent consecutive pay stubs, two (2) most recent, consecutive months bank statements (all pages) and investment accounts showing assets needed for down payment and closing costs.

This documentation is required for all household members age 18 and over. Applicants should also have a good credit record and stable earnings history. LIHP will conduct a mortgage ability analysis to assess an applicant's ability to obtain a mortgage and to sustain homeownership. Factors to be considered in this analysis include income, employment, down payment, credit history and adherence to Program Guidelines. All loans to finance the purchase of the home will be reviewed to ensure that they meet program guidelines.

Mortgage Restrictions

First mortgages must be with a recognized lending institution. Non-occupying Co-Borrowers are not permitted. The following types of mortgages are **not** permitted:

1. Private mortgages;
2. "No Doc" Loans, 100% financing, and 80/20 loans;
3. 203K loans; and



4. Adjustable rate or interest only loans.

Affordability

Affordability of the unit will vary depending on income, sales price, insurance requirements, interest rates, property taxes, and buyer down payment. To purchase the home, applicants must have:

- Sufficient income to pay the monthly mortgage payment, including property taxes, common charges, and insurance premiums. Applicants must also have sufficient funds for a down payment and closing costs estimated at 5-10% of the sales price; and
- The ratio of total monthly housing cost (i.e. mortgage payments, property taxes, insurance premiums plus other debt (e.g. credit cards, car payments, school loans, etc.) to monthly household income may not exceed 45%.

Credit History Standards

The following credit history standards will be analyzed in conjunction with income limits to determine program eligibility:

- Applicants must have an overall good pattern of credit behavior including a history of timely payments for rent, automobile and installment loans, credit cards and revolving loans as described below. If a good payment pattern has been maintained, isolated cases of slow/late payments may not disqualify an applicant for program eligibility.
 - Applicant must not have been late on rental payments in the last 12 months.
 - Payments on automobiles and installment loans should reflect no late payments in recent 24 months.
 - Payments on revolving loans or credit cards should not have any late payments in recent 24 months.
- Applicants must have a satisfactory income, credit and employment history.
- At a minimum, a bankruptcy must have been discharged at least three years from date of application and credit re-established.
- At a minimum, a foreclosure sale or a transfer of title in a deed in lieu of foreclosure must be at least three to five years old from date of application.
- No outstanding collection accounts or judgments.
- As part of the credit history and mortgage ability review, LIHP will utilize the middle credit score of all borrowers from three national credit repositories. At a minimum this credit score must be at least 580. (Higher credit scores may be required by lenders).
- The credit standards listed above are to determine program eligibility and do not represent a mortgage approval. The applicant is responsible for securing a mortgage approval through a responsible lending institution.

FIRST-COME FIRST-SERVED APPLICATION PROCESS

To be considered for the Program, applicants must submit an **Application**, together with all required documentation. Applications will be reviewed on a first-come first-served basis in the order in which they are received until the waitlist is exhausted or a qualified buyer closes on the purchase of the property whichever occurs first.

Applications are available on LIHP's website at <https://www.lihp.org/developments.html>. Applications may also be requested by calling LIHP at 631-435-4710 or by emailing info@lihp.org.



If the required documentation is not submitted by such date, the applicant will be deemed ineligible for the Program.

The Application and required documentation can ONLY be submitted:

- (1) online at <https://www.lihp.org/developments.html> (please click on the tab for Village of Hempstead CDA);
- (2) by mail to LIHP's offices at 180 Oser Avenue, Suite 800, Hauppauge, New York 11788, ATTN: Village of Hempstead CDA;
- (3) by hand-delivery to LIHP's office at 180 Oser Avenue, Hauppauge, NY 11788, Suite 800

REVIEW PROCESS

As an applicant's name is reached on the waitlist, LIHP will review the file to determine if all required documentation was submitted. If not, then LIHP will send notice to the applicant, by email or regular mail if no email is available, indicating what documentation is missing. The missing documentation must be received by LIHP within ten (10) business days of the notice date. If the documentation is not received within such 10-day period, the applicant will be deemed ineligible and LIHP will move on to the next person on the waitlist. Should applicants be deemed ineligible, LIHP notify applicants by email or regular mail if no email is available and will move on to the next name on the Waitlist.

Documentation shall be deemed received by LIHP as follows: (1) if sent by mail, then on the date of actual receipt by LIHP (not the postmarked date); (2) if sent online, then on the date of successful transmission and receipt by LIHP.

If all documentation is received within the timeframe, LIHP will then conduct an eligibility review to determine if the applicant meets all Program Guidelines. A letter from LIHP detailing eligibility will be sent to the applicant after a full review of the Application has been completed. An applicant who is determined to be eligible will be offered the home to purchase. The applicant must, subsequently, begin the home buying process with the Village CDA. Should the applicant be deemed ineligible or, if eligible, elect not move forward in purchasing the home, LIHP will move on to the next name on the waitlist.

FAIR HOUSING AND NON-DISCRIMINATION

LIHP is committed to promoting fair housing, equal opportunity, and non-discrimination in compliance with all federal, state and local laws, including, but not limited to, the Fair Housing Act, as amended by the Housing for Older Americans Act, the Americans with Disabilities Act, the Civil Rights Act, and the New York State Human Rights Law and all Fair Housing Laws will be followed. The LIHP staff is available to assist with the application, and answer questions about eligibility requirements. In furtherance of this policy, LIHP shall not discriminate on the basis of race, creed, color, national or ethnic origin, sex, sexual orientation, gender identity, familial status, source of income, religion, disability, veterans' status, age, or any other basis prohibited by law.

LIMITED ENGLISH PROFICIENCY AND ACCOMMODATIONS

Applications and Program Guidelines are available in English and Spanish and will be made available in other languages as requested. LIHP will take reasonable steps to ensure that persons with Limited English Proficiency (LEP) and persons who need assistance or who have a limited ability to speak, read, or write English, will have meaningful access and an equal opportunity to participate in the Program. Interpreters, translators and other aids needed to comply with this policy shall be provided as reasonably necessary. If you have any questions regarding the guidelines, or need assistance including translation and/or oral interpretation services, please call LIHP at 631-435-4710 or contact LIHP at info@lihp.org.



Disclaimer: It is understood that this is not an offer and that terms and conditions may be changed at any time by the Village CDA. It is further understood that notices by the Long Island Housing Partnership, Inc., and Affiliates may be made in such manner as Long Island Housing Partnership, Inc., and Affiliates may determine, including solely by advertisement or email. It is also understood that entry into the program is not a guarantee that you meet all program requirements to purchase a home.