



Community Assistance

Affordable Housing Partner

Program Manual of Procedures & Forms

Fiscal Year 2024-2025

Affordable Housing Staff

Bradely Burbaugh
Director, Community Services Department
Email: BBurbaugh@volusia.org

Carmen Hall
Director, Community Assistance Division
Email: CHall@volusia.org

Brittany Louis
Housing & Grants Administration Manager
Email: BLouis@volusia.org

Paige Brewer
Affordable Housing Specialist
Email: pbrewer@volusia.org

Contact Information

County of Volusia, FL
Community Assistance Division
121 West Rich Avenue
DeLand, FL 32720-4611

(386) 736-5955

Secure Upload Portal

<https://vcservices.vcgov.org/secureupload/d/housing>

Table of Contents

Introduction	4
Program Overview.....	4
Program Qualification Guidelines.....	5
Features of Volusia County Loan.....	7
Application Process.....	9
Important Reminders.....	14
Forms.....	15
AHP Instructions for Completing Part 1.....	16
AHP Checklist – Part 1.....	18
Application.....	19
Release of Information	22
Verification of Employment.....	23
Verification of Deposit.....	24
Disclosure Statement.....	25
AHP Instructions for Completing Part 2.....	26
AHP Checklist – Part 2 & Input Sheet.....	27
Lenders Certification.....	28
Request for Uniform Physical Condition Standards - Existing.....	29
Voluntary Acquisition/Non-Displacement letter – Existing.....	30
Seller's Certification - Existing.....	31
Home Improvement/Repair Form - Existing.....	32
Appendices.....	33
A Area Median Income Limits	34
B Loss Payee Clause.....	34
C Resident Income Certification	35
D Sample 24 CFR Part 5 Annual Income Calculation.....	38
E Commitment letter	41
F Uniform Physical Condition Standards Checklist.....	42
G HBA Agreement.....	46
H Loan Estimate.....	49
I Award letter	52
J Closing Disclosure.....	53
K Closing Process.....	58
L Request for Fund Letter.....	59
M Subordinate Mortgage	61
N Subordinate Note.....	72
O Uniform Physical Condition Standards Definitions.....	78
P Fair Housing Brochure.....	111

Introduction

The primary mission of the County of Volusia Community Assistance Division is to create and preserve affordable housing for households and families throughout Volusia County.

The First-Time Homebuyer Assistance Program (HBA) program is funded by the County of Volusia through the State Housing Initiatives Partnership (SHIP) program and the HOME Investment Partnerships (HOME) program. Program rules, policies, and guidelines for implementing the HBA program are established by Volusia County's Local Housing Assistance Plan (LHAP) and the five-year Consolidated Plan. Volusia County also complies with all fair housing laws.

In addition, the County of Volusia does not discriminate in regard to race, color, religion, national origin, sex, disability, familial status, gender identity, and marital status.

The intent of the HBA program is to provide first-time homebuyers that are at or below 120% of the Area Median Income (AMI) a deferred payment loan to assist with the purchase of an existing or new construction home.

The Community Assistance Division's HBA program is implemented in cooperation with Affordable Housing Partners (AHP). An AHP agency can be a non-profit entity, lender/broker, real estate company or builder. The AHP agency's representatives are intended to be the primary contact and liaison between Community Assistance and all vested parties involved in the purchase of the home.

Program Overview

The purpose of the AHP manual is to provide the AHP agency's representative with a guide to the HBA program.

Persons who contact the Community Assistance Division are provided the list of approved AHPs via flier or the county's website. All applicants are screened and processed by a representative of an approved AHP agency. The AHP representative works directly with the applicant to complete and process their application. The AHP representative assists the applicant in 1) determining income eligibility; 2) determining qualification as a first-time homebuyer; 3) ensuring they have an eligible and affordable first mortgage; and 4) ensuring they have a contract to purchase an eligible home.

A household's application for the program consists of three parts 1) income and asset eligibility; 2) home and mortgage eligibility; and 3) closing. The AHP representative shall submit parts one and two to the Community Assistance Division for review and final approval or denial. The Community Assistance Division shall work with and provide the settlement agency with the County's subordinate closing package which includes the subordinate mortgage closing disclosure (CD), subordinate mortgage, note and closing funds for those applicants who are awarded funding.

The Community Assistance Division reserves the right to accept or deny applications due to availability of funding and program rules, policies, and guidelines. Assistance is provided on a first-ready, first-served basis while funds are available. Priority may be given to very low and low-income households and families to meet funding requirements. Funding for moderate-income households may be limited due to the funding requirements.

Program Qualification Guidelines

1. Applicant income eligibility

- A. The process for calculating household income, based on household size, is governed by rules and policies established by U.S. Housing and Urban Development (HUD) and Florida Housing Finance Corporation (FHFC).
- B. Total household income must not exceed the annual Area Median Income (AMI) levels, as determined by HUD and FHFC. (Appendix A).
- C. The applicant must not have assets (fixed or liquid) that would enable them to purchase the home without assistance from Volusia County. The amount of liquid assets that the applicant may have in accounts after the loan closing cannot exceed the equivalent of twelve months of principle, interest, taxes, and insurance (PITI) or \$15,000, whichever is higher. Retirement assets including IRAs, 403(b), 457 or 401K accounts, or other similar accounts restricted for retirement usage, and funds established in an account for college education are not treated as liquid assets for this purpose.
- D. The applicant is required to contribute a minimum dollar amount toward the down payment of the home, based on their income range.

1% - 50% of AMI	51% - 80% of AMI	81% - 120% of AMI
\$ 500	\$1,500	\$2,000

2. First-time homebuyer guidelines

- A. The applicant must be a first-time homebuyer. Volusia County's definition of a first-time homebuyer is:
 - i. An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).
 - ii. A single parent who has only owned a home with a former spouse while married.
 - iii. An individual who is a displaced homemaker and has only owned a home with a spouse.
 - iv. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

- v. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.
- B. Applicants that have been previously assisted by Volusia County with housing rehabilitation or homebuyer assistance are not eligible to apply for any further assistance.
- C. Applicants that have been a defendant within the past seven years in a foreclosure action that resulted in foreclosure of real property are not eligible for the program.
- D. All applicants will be required to complete an eight (8) hour HUD certified homeownership counseling program course.

3. Mortgage and home guidelines

- A. The applicant is responsible for locating a safe, decent, and affordable home.
- B. The home may be located anywhere in Volusia County, except in the cities of Daytona Beach and Deltona.
- C. The current maximum purchase price for existing and new construction homes is \$321,100. The maximum purchase price may be adjusted annually.
- D. The applicant is required to secure a commitment for a first mortgage in the **maximum** affordable amount for which they are eligible.
NOTE: The first mortgage amount must be established **without** considering funds from Volusia County.
- E. The first mortgage must have payment terms that are affordable to the household.
- F. Non-occupying co-borrowers or co-signors are not allowed.
- G. The first mortgage lender is required to comply, at a minimum, with Volusia County's lending policies, in providing a first mortgage to the applicant. The policy includes:
 - i. Fixed interest rate. The loan shall have a fixed interest rate for the full term of the loan.
 - ii. Term. The term of the loan shall not be less than 15 years, nor more than 30 years.
 - iii. Repayment affordability. The lender shall not engage in a pattern or practice of making higher-priced loans based on the value of the applicant's housing rather than on the applicant's ability to repay from verified income.
 - iv. Front-end ratios. The front-end ratio must be at least 22% to demonstrate the need for homebuyer assistance. If the front-end ratio exceeds 30% the lender must provide a written explanation regarding the reasons, to confirm that the higher percentages are allowed by the terms of the lender's guidelines, and to explain how the loan remains affordable for the applicant. **NOTE:** A front-end ratio in excess of 35% will not be approved.

- v. Back-end ratios. The back-end ratio may exceed 41% only if the lender certifies that the higher back-end ratio complies with the guidelines for the specific type of mortgage product being product. The lender must provide a written explanation regarding the reasons and how the loan remains affordable for the applicant. **NOTE:** A back-end ratio in excess of 50% will not be approved.
- vi. Escrow for taxes and insurance. The first mortgage shall provide for escrow of taxes and insurance to be collected on a monthly basis.
- vii. Pre-payment penalty. The first mortgage loan shall not include any pre-payment penalties.

Features of Volusia County's Loan

1. Loan and term provisions

- A. Funds will be in the form of a 0% interest, 15 year deferred payment loan secured by a subordinate mortgage recorded in the land records of Volusia County. **NOTE:** The loan amount includes both the purchase and closing costs assistance.
- B. Volusia County's subordinate loan will occupy second position and is non-assumable.
- C. Volusia County must be named as loss payee on the homeowner's insurance policy (Appendix B).
- D. The hazard insurance must be sufficient to insure property for a combined balance of the first and second mortgage.
- E. The property taxes and hazard insurance must be held in escrow by the primary lender.
- F. The home must be the primary residence (no rental or leasing allowed) and homestead exemption status must be maintained during the 15 year term.
- G. The homeowner cannot further encumber or alter the deed of the home/property during the term of the mortgage without the consent of Volusia County.
- H. Payment of the loan balance is due (recapture) if the applicant is in default on any term of the mortgage within the 15 year term.
- I. The mortgage is forgiven on an annual basis if there is no default of any term of the mortgage. The annual forgiveness is based on the loan amount (e.g. \$40,000 loan, 15 year term, forgiven 1/15 annually = \$2,666.67 annual forgiveness) and may include a shared appreciation feature effective during the first 10 years of the loan.

2. Shared appreciation feature

- A. Volusia County shall share in the net appreciation on the transfer of the home by the homebuyer if the home is transferred prior to the end of the 15 year term.
- B. The amount of net appreciation shall be determined by taking the contract sales price, less eligible closing costs, less borrower's initial investment in

acquisition of the property, less any valid outstanding liens (including Volusia County's lien for payment of the loan evidenced by the subordinate security instruments), less capital improvements to the property.

i. Capital improvements in excess of \$1,000 that are documented by receipts and that have been added, installed, or affixed to the home or property, not including maintenance costs.

1. Ineligible maintenance costs include, but are not limited to, repairing mechanical systems, replacing carpeting or minor landscaping.

C. The percentage of net appreciation to be shared between Volusia County and homebuyer is provided below:

Year	Homebuyer Net Appreciation	County Net Appreciation
1 – 2	0%	100%
3 – 5	50%	50%
6 – 10	80%	20%
11 – 15	100%	0%

3. Amount of Loan

A. Volusia County shall limit the amount of purchase assistance to the amount required to make the purchase affordable for the applicant with no cash out at closing.

B. The total amount of assistance cannot exceed the first mortgage amount.

C. The total amount of assistance cannot exceed 50% of the purchase price.

D. The total amount of assistance cannot exceed the maximum award amounts in the table below based on the income level of the applicant:

HBA

Income Level	Maximum Purchase Assistance	Closing Cost Assistance	Maximum Award
1% - 50% of AMI	\$44,000	\$6,000	\$50,000
51 – 80% of AMI	\$35,000	\$5,000	\$40,000
81% - 120% of AMI	\$18,000	\$4,000	\$22,000

4. Subordination for refinancing

Volusia County shall consider subordinating its loan to a first mortgage loan when refinancing during the loan term with terms that improve the long-term affordability of the loan to the homeowner. Volusia County shall also consider permitting a home equity loan or other subordinate loans when it is necessary for the homeowner to sustain homeownership. Certain restrictions and conditions apply.

5. Mortgage assumption and restriction

Volusia County's subordinate loan shall be non-assumable. If the property is sold, the balance of the mortgage amount will be due upon sale of said property. If the property is transferred by any other means, or if the borrower vacates the premises for any reason, Volusia County may, at its option, negotiate the mortgage and interest rate rather than require that the entire principal balance be paid in full if it is determined that such payment would constitute undue hardship, providing that any applicable HOME affordability period has been completed.

The Community Assistance Division periodically monitors households who have been assisted with program funds to ensure compliance with the terms of the loan.

Application Process

It is the responsibility of the AHP representative to submit the application and supporting documentation to the Community Assistance Division on behalf of the applicant to determine program eligibility.

The AHP representative shall assist with the application process to be able to complete the purchase. Depending on the AHP's profession (non-profit agency, realtor, lender/broker, or builder), the AHP representative shall also assist the applicant in understanding the purchase process; assist with the execution of the purchase contract; and assist with the application and approval of the first mortgage.

1. Part 1 – Applicant Eligibility

- A. The applicant will contact an AHP agency to apply for HBA assistance.
- B. The AHP representative will determine readiness for becoming a homebuyer and qualify the applicant by using program guidelines.
- C. The AHP will work with the applicant to:
 - i. Complete the application and compile required forms and documents (Pages 16 – 25);
 - ii. Assist the applicant with gathering supporting documents;
 - iii. Verify the applicant's income and assets using third party verification; and
 - iv. Provide the applicant with HUD's web site for homebuyer education agencies <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>.
- D. The AHP representative will complete the Affordable Housing Partner Checklist - Part 1 and submit it with the client's application package to the Community Assistance Division.
 - i. The application package can be submitted by mail or in person to the Community Assistance Division or through the secure upload portal.
- E. The Community Assistance Division will review the submitted package for approval or denial within 10 business days from receipt.

- i. The Community Assistance Division will notify the AHP representative via email of any issues within five business days of receiving the package.
 1. Noted issues and all missing documents must be submitted by the AHP representative within 10 business days from notification.
- ii. If approved, the Community Assistance Division will prepare the following income summary forms and email them to the AHP representative for applicant's signature:
 1. Resident Income Certification (Appendix C); and
 2. Form 24 CFR Part 5 Annual Income Calculation (Appendix D)
 - a. The signed documents must be returned within 10 business and can be submitted by mail or in person to the Community Assistance Division office or through the secure upload portal.
- iii. Upon receipt of the signed income summary forms, the Community Assistance Division will forward the forms for signature by the Housing and Grants Administration Manager.
- iv. Within five business days from receipt of the executed income summary forms, the commitment letter to the applicant will be prepared (Appendix E) by the Community Assistance Division and forwarded for signature by the Community Services Department Director.
 1. Upon issuance of the commitment letter, the original letter will be mailed to the applicant and a copy emailed to the AHP representative.
 - a. Funds will be encumbered at this time for a period of 180 days.
- v. If denied, the Community Assistance Division will notify the AHP representative of denial reason(s) and prepare a denial letter.
 1. The AHP representative will be responsible for providing a copy of the letter to the applicant within three business days from receipt.

2. Part 2 – Mortgage and home eligibility

- A. The AHP representative will assist the applicant in identifying and securing an affordable mortgage.
 - i. The applicant must apply for the maximum affordable mortgage.
 - ii. If approved, the applicant will obtain from the primary lender a:
 1. Loan Estimate; and
 2. Pre-qualification or commitment letter.
- B. The applicant will provide the AHP representative with the loan estimate and commitment letter.
- C. The AHP will provide the primary lender with the Lender Certification to complete and return.

- D. The AHP representative will also assist the applicant in:
 - i. Identifying and securing an eligible home;
 - ii. Ensure the home meets their needs;
 - iii. Assist with the execution of the purchase contract with a closing date at least 45 to 60 days from acceptance of the offer;
 - iv. Recommend a home inspection be conducted; and
 - v. Work with applicant to assemble the documents to complete Part 2 of the application package.
- E. The AHP representative will complete the Affordable Housing Partner Checklist – Part 2 checklist and submit it and the required supporting documents to the Community Assistance Division for review and approval (Pages 26 – 32).
 - i. Part 2 must be submitted within 180 days from the applicant's HBA commitment letter.
 - 1. Part 2 of the application package can be submitted by mail or in person to the Community Assistance Division or through the secure upload portal.
- F. The Community Assistance Division will review the submitted documents for approval or denial within 10 business days from receipt.
 - i. The Community Assistance Division will notify the AHP representative of any issues within five business days of receiving the package
 - 1. Noted issues and all missing documents must be submitted by the AHP representative within 10 business days from notification.
 - ii. The Community Assistance Division will:
 - 1. Email the Uniform Physical Condition Standards (UPCS) inspection request form to the county's inspection company within three business days from receiving Part 2;
 - 2. Request an in-house environmental review; and
 - 3. Prepare the applicant's:
 - a. HBA agreement (Appendix G); and
 - b. Loan Estimate (Appendix H).
 - iii. The HBA agreement and loan estimate will be emailed to the applicant within the 10 day processing time unless there are any noted issues or missing documents.
 - 1. If there are issues or missing documents, the agreement and loan estimate will be provided to the applicant once the issues or documents have been received.
 - iv. The HBA agreement must be reviewed, signed, and returned to the Community Assistance Division within 10 business days from receipt. The loan estimate is for the applicant's review only.
 - 1. The signed document can be submitted in person or by mail to the Community Assistance Division office or through the secure upload portal.

- v. Upon notification by the Community Assistance Division of the property location and contact information, the inspection company will:
 - 1. Schedule a time to conduct the UPCS within three business days from notification.
 - 2. Complete and provide to Community Assistance Division the completed UPCS form and inspection report, which will list all deficiencies in each room of the home and exterior (doors, roof, and foundation) within seven days of the inspection.
 - a. Inspections are held during business hours, 8:00 am until 5:00 pm and only with someone 18 years or older is present.
- vi. The Community Assistance Division will email the inspection results within three business days of receipt of report.
 - 1. If the inspection fails, the AHP will notify the applicant of the deficiencies within three business days from receipt.
 - 2. Upon completion of the repairs, the AHP will notify the Community Assistance Division to request the re-inspection.
 - 3. The Community Assistance Division will email the inspection company to contact and schedule the re-inspection within three business days from receipt of the email.
- vii. Within three business days from receipt of the signed HBA agreement, the Community Assistance Division will forward the agreement to the Community Assistance Division Director for signature.
- viii. Within five business days of receipt of the executed HBA agreement, completed in-house environmental review and the approval of the UPCS inspection, the Community Assistance Division will prepare the HBA award letter (Appendix I) and the County's Closing Disclosure (CD) (Appendix J).
 - 2. The award letter and the CD will be forwarded to the Community Services Director for signature.
- xi. Upon return of the signed award letter, the original letter and CD will be mailed to the applicant with a copy of the documents emailed to the AHP representative and the settlement agency along with the County's closing process.
 - 1. If the settlement agency is not an approved vendor with Volusia County, a Request for Taxpayer Identification Number and Certification will be included in the email.
 - a. The certification form is required for any business that is not an approved vendor with the County of Volusia.

4. Part 3 – Closing

- A. A minimum of 10 business days prior to the desired closing date the settlement agency will email the applicant's primary lender's CD and if

applicable, the completed tax certification to the Community Assistance Division for review and approval/denial.

- i. The CD cannot be labeled “estimate”, draft, etc.
 1. The Community Assistance Division will review the CD within two business days from receipt for approval/denial and if applicable, forward the tax certification for input into the county’s finance system.
 2. If there are discrepancies or corrections needed to the primary lender’s CD or the County’s CD, the desired closing date may be postponed.
- ii. Upon approval of the CDs, the Community Assistance Division will email the settlement agency the approval status and the additional mortgagee clause and provide the Request for Funds letter (Appendix L)
- iii. A minimum of five business days prior to the desired closing date the settlement agency will provide a complete Request for Funds package to the Community Assistance Division. The complete package shall include:
 1. Request for funds letter on the settlement agency’s letterhead; and
 2. Wiring instructions.
- iv. The Community Assistance Division will forward the Request for Funds letter, wiring instructions, primary lender’s CD and the County’s CD for final review and approval.
 1. The Community Assistance Division will also prepare the applicant’s County mortgage and note.
- v. Upon final approval, the Community Assistance Division will email the settlement agency the final approval status and when the County’s closing package will be emailed.
- vi. The County’s closing package will be emailed to the settlement agency one business day prior to the closing date.
 1. The email will include instructions on who is to sign the mortgage and note, the return of the executed documents, who to notify should the closing not occur and the closing package. The closing package includes, but is not limited to:
 - a. Subordinate Mortgage (Appendix M)
 - b. Note (Appendix N)
 - c. Finalized County CD
- vii. Within seven business days from the closing date, the settlement agency shall return the Community Assistance Division with the applicant’s:
 1. Original signed County note;
 2. Certified signed copy of the primary lender’s CD; and
 3. Certified County’s CD and mortgage.
- viii. The settlement agency will also return the Community Assistance Division the County’s original recorded mortgage and title policy within five business days from the recording date.

Important Reminders

All email content sent to or received from a county email is considered public record.

First-time homebuyer education class certificates are valid for two years.

Online class certificates are acceptable.

The Uniform Physical Condition Standards definitions are in Appendix O