

GETTING STARTED

Available Through June 2019 or While Funds Last

The first step is to contact the CHIP Administrator and answer a few pre-qualifying questions. You will then be asked to complete an application (available for pick-up or via mail).

By providing an application, you will be agreeing to abide by the program's rules and give permission for the CHIP program to confirm your information. You may also need to provide bank statements, credit history, and proof of income in addition to social security cards and/or drivers licenses.

You will want to make sure that your lender is coordinating with WMHA regarding your home loan's down-payment.



CHIP Administrator:

Tanya Sargeant

Consultant for the City of Wooster –
Wayne County CHIP Partnership

Phone: 330.264.2727

TSargeant@WayneMHA.org

Office: 345 N. Market Street, Wooster, Ohio

For the most current information, please visit:

Visit: www.woosteroh.com/chip

Thank You!



The Wayne County, City of Wooster, City of Orrville Community Housing Impact and Preservation Program



*Programs To Help You
Invest in Your Future
And Your Community*

For the most current information,
please visit our website:

www.woosteroh.com/chip

Making An Application? - Please Contact:

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This program is made possible by the leadership and staff of the City of Wooster, Wayne County, the City of Orrville, the City of Rittman, the Wayne Metropolitan Housing Authority, Ohio Development Services Agency, the Ohio Housing Trust Fund, and the Department of Housing and Urban Development.

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HOMEOWNERSHIP PROGRAM DOWN PAYMENT ASSISTANCE

*CHIP Can Pay Your Down-Payment and
Cover the Cost of Safety Repairs*



ABOUT CHIP – A Quick Background

The CHIP Homeownership Program helps aspiring homeowners purchase older homes by covering the cost of their mortgage's down-payment and by paying for any repair costs (if needed) to ensure a safe and healthy home for the future.

An older home can provide a sound structure at an affordable price, but sometimes requires safety upgrades and repairs. Lack of a sizeable Down-payment can also be a barrier for households who can otherwise afford monthly mortgage payments. The Homeownership Program, part of our community's larger CHIP Program, enables Wayne County or the City of Wooster to directly issue a deferred payment 0% second mortgage that is 85%-forgiven*.

Increasing homeownership creates financially stronger households and builds up our local economy. Homeownership is also correlated with long-term higher personal wealth attainment and significantly stronger educational outcomes for children.

DOES YOUR HOUSEHOLD QUALIFY?

40% of Wayne County Residents Will Qualify

To qualify for the local CHIP Program:

1. Your household should not have owned a home within the past three years (*certain exceptions apply*)
2. **You must be able to qualify for a home loan with a lender** aside from affording the down-payment.
3. Your total household income must be at or above the minimum (*see table below*).

Households at or under the 2018 Income Limit Qualify

<u>Household Size</u>	<u>Moderate Income Limit</u>
1 Persons	\$36,700
2 Persons	\$41,950
3 Persons	\$47,200
4 Persons	\$54,200
5 Persons	\$56,600
6 Persons	\$60,800

For more than 6 Persons, please see below or contact us

Source: www.huduser.gov. (See Data Sets | Income Limits | Ohio | Wayne County). Moderate income limits represent 80% of the median household income for Wayne County in 2018/2019. Limits will vary somewhat from year to year.

Steps to Earning the Homeownership Loan

Apply, Find a Home, CHIP Covers down-payment & repairs

1. **Application:** The first step is to make an application with the CHIP Program. You will be asked to supply information demonstrating proof of income. You will be notified by the CHIP Administrator whether you are eligible for the program after filing an application. You will need to inform your lender about the down-payment assistance program and your eligibility status. Your lender should contact the CHIP Administrator directly with any questions (please see back for contact information).
2. **Homeownership Course:** Prior to closing, you will need to complete an 8-hour homeownership class. The course covers money management, steps to securing homeownership, the home buying process, and how to protect your investment. This course may be taken free and in-person at the

Wayne County Administration Building, generally scheduled over four evenings. Applicants may also take the course online for a \$65 fee (approximate). While the course may be taken after making an offer on a home, applicants are *encouraged* to make the class a first-step because the information can be very helpful in finding the right home.

3. **Search for Your New Home:** Determine what your household needs for the future and explore the market place. Work closely with your lender(s) to understand your price range. Attending lots of open houses helps to expose homebuyers to many different ideas and make it easier for them to learn what they find most important in a home. Real estate agents can also help simplify the home buying process. Many reputable agents will ask homebuyers to sign exclusive service contracts to show them multiple properties. It's best to interview at least a few agents prior to signing a contract.
4. **CHIP Inspection:** The CHIP down-payment can only be provided to homes that meet safety codes, or can be repaired to ensure safety. Unfortunately, CHIP cannot assist homes that require extensive repairs (generally, in excess of \$30,000). At the same time, not every older home will need safety repairs.

If repairs are needed, CHIP can fund these as soon as you own the house. Examples of work CHIP completes includes updating of electrical systems, lead abatement, plumbing repairs, siding and windows if needed, and other building code issues that require repair to ensure your new older home is in great shape for decades to come.

Please have WMHA inspect your chosen home *prior* to making an offer to ensure that it qualifies for the program. In all events, **be sure to make any offer contingent upon CHIP Funding**, just as you would for your other financing. (*Note: This inspection is not a replacement for an inspection by a licensed home inspector.*)

5. **Agreement:** Once a homebuyer makes a purchase agreement with a seller (contingent on CHIP Funds), they should deliver a copy of their signed purchase contract to their lender and to WMHA.

6. **Down-Payment Assistance:** You will be asked to sign a second mortgage and WMHA will forward the amount required for your home loan's down-payment to your lender for closing.
7. **Repairs Made:** If repairs are required, WMHA will present you with a list of qualified contractors and ask you to select three. WMHA will then bid out the repairs to your three choices and hire the best contractor with the lowest price to perform the repairs. Contracts/repairs can start as soon as you have possession of your home. WMHA will inspect the contractor's work during and after the repairs to ensure all work is performed to a quality standard.
8. **Loan Forgiveness Period:** Your loan will be forgiven by a certain percentage for every full-year year you live in your home. (Unfortunately, regulations prevent us from pro-rating partial years.) A total of 85% of the CHIP loan for repairs and down payment is forgivable over 5 to 15 years (length of time depending on total amount of the loan).
9. **Loan Pay-Back:** After the "forgiveness" period, the final 15% of your down-payment/repair loan will remain as a 0% mortgage on the property and is not required to be repaid until the homeowner would decide to sell the home, or no longer use the home as their primary residence. (Repayments go to help other aspiring homeowners in the future.)



OTHER CHIP PROGRAMS

Keep CHIP in Mind for Neighbors, Family, and Friends

The Homeownership Program is just one of four CHIP grant/forgivable mortgage programs offered by our community.

- **Private Rehab Program:** For low to moderate income homeowners needing major home repairs.
- **Home Repair:** Assistance for making emergency safety repairs for low-income households.
- **Rental Rehab Program:** Assistance for landlords repairing apartments in return for rent controls.