

KAIROS CDC

Application Package for ADDI Downpayment and Closing Cost Assistance

Administered by
Kairos CDC
5601 Old Branch Ave
Camp Springs MD 20748

Contact:
Wiley Jones
Harold Davis
301-899-1180

VERY IMPORTANT

- Please allow 60 days from contract ratification to settlement.
- Once a complete application has been submitted to KAIROS, Prince George's County will require 30 to 45 days to review and approve the application.
- Applications CANNOT be faxed. Applications can be mailed or hand-delivered to KAIROS at the above address.

American Dream Downpayment Initiative (ADDI)
Program, Eligibility, and Process

The US Department of Housing and Urban Development (HUD) has made available forgivable loan funds to assist low- and moderate-income homebuyers with downpayment and closing costs in Prince George's County, Maryland. Two nonprofit housing organizations have been designated to administer the funds on behalf of Prince George's County: Housing Initiative Partnership (HIP) and Kairos Development Corporation.

Kairos Development Corporation

5601 Old Branch Avenue
Camp Springs, MD 20748

Contact either:

Wiley Jones

Harold Davis at (301) 899-1180, kairoscdc@aol.com

Housing Initiative Partnership

6525 Belcrest Road, Suite 555
Hyattsville, MD 20782

Contact either:

- Cherelle Silue at (301) 699-8031, csilue@hiphomes.org
- Michelle Rose at (301) 985-3155 (Spanish speakers), mrose@hiphomes.org
- Ernest Matthews at (301) 985-5122, ematthews@hiphomes.org

The following outlines the basic program guidelines, eligibility, and application process. *Information is subject to change without notice.*

If you are submitting your application through KAIROS, please contact Wiley Jones or Harold Davis at (301) 899-1180 PRIOR to submitting an application. **You must make an appointment to drop off your COMPLETE ADDI application. Two copies of the application must be submitted.**

These funds are only for households purchasing homes in Prince George's County. Enclosed is a list of contact information for ADDI funds in other jurisdictions.

Program Guidelines:

- Downpayment/closing loans will not exceed \$5,000. Applicants cannot get cash back at settlement.
- Purchasers must have a minimum of \$1,000 of their own funds in the transaction. These funds can be in the form of earnest money deposits, loan application fees, appraisal fees, home and termite inspection fees, etc.
- ADDI funds are structured as a 5-year forgivable loan at 0% interest. The loan will reduce by 20% each of the five years. After the five-year loan term, the debt will be forgiven. If the home is sold during the loan term, the owner must repay the unforgiven portion of the loan.
- The ADDI program can be layered with **SOME** downpayment/closing cost grants.
- Purchasers must obtain a home inspection by a certified, licensed home inspector. Purchasers must also obtain a termite inspection.
- Prince George’s County will also conduct a separate home inspection. Both inspections are required for the ADDI program.

Eligibility:

- Purchaser(s) must be first-time homebuyer(s) or not have owned a home in the last three (3) years
- Purchaser(s) must earn 80% or less of the area median income based on household size:

<u>Household Size</u>	<u>Maximum Income</u>	<u>Size</u>	<u>Max Income</u>
1	\$57,700	5	\$89,100
2	\$66,000	6	\$95,700
3	\$74,200	7	\$102,300
4	\$82,500	8	\$108,900

- Purchaser(s) must buy a home located in Prince George’s County, Maryland
- Purchaser(s) must live in the home as their primary residence during the 5-year term of the down/payment closing cost loan; no temporary subleases.

- Purchaser must complete intensive, HUD-certified homeownership counseling program .

Application Process:

- Applicants must complete HUD-certified homeownership counseling. Both Kairos and HIP as well as other nonprofit organizations offer HUD-certified programs.
- KAIROS strongly recommends that ADDI applicants meet with a homeownership counselor prior to submitting an ADDI application to ensure clear understanding of the program, the process, and the required documentation.
- When negotiating a contract to purchase a home, remember the following items:
 1. Allow 60 days for settlement. ADDI applications take time to process.
 2. Include a home inspection addendum in your contract. ADDI requires the inspection to be conducted by a certified home inspector.
 3. Include an appraisal contingency. ADDI funds will require an appraisal.
 4. The seller must sign a relocation disclosure letter. Kairos will provide the letter.
 5. Settlement must be scheduled with one of the County-approved title companies (the list is enclosed)
- Applicants applying for ADDI funds are responsible for submitting all documentation required for the program. Do not assume your lender or realtor is providing the documents.
- ADDI loans CAN BE REJECTED if the first mortgage loan is deemed to be predatory in nature. Loan terms will be evaluated on a case-by-case basis.
- Kairos **WILL NOT** accept faxed copies of ADDI applications. Application packages can be mailed or hand delivered to Kairos' office.

- A Complete ADDI application requires the following documents:
 - Filled-in ADDI Checklist
 - Original, completed ADDI Application form
 - Copy of 2 months of your most recent pay stubs
 - Copy of 2 months of your most recent payment for any other income sources(s)
 - Copy of 2 years' tax returns (IRS-1040)
 - Copy of current bank statement
 - Original, signed ADDI Affidavit
 - Copy of ratified purchase contract for a home in Prince George's County
 - Copy of Relocation Disclosure Letter signed by Seller
 - Proof of cash contribution
 - Copy of Certificate of Completion for an intensive, HUD-certified homeownership counseling program.
 - Copy of first mortgage lender's approved credit package including the Truth In Lending statement and the "Good Faith Estimate".
 - Copy of appraisal
 - Copy of Home Inspection Report
 - Copy of Termite Report
 - Draft HUD-1 Settlement Sheet (must be provided by one of the designated title companies)
 - Proof the home meets zoning ordinances. (see instructions)
 - Original W-9 form. <http://www.irs.gov/pub/irs-pdf/fw9.pdf#search=%22W-9%22>
 - If applicable, copy of documentation regarding additional downpayment and closing cost assistance.

ADDI Application Check List • Prince George's County, Maryland

- 1) _____ Complete copy of original ADDI Application (**Applicant**)
- 2) _____ Income Verification—total household must earn 80% or less of the Area Median Income. Proof of income must be provided for all household members 18 years of age and older as listed on the application. For each household member 18 years or older, provide the following documentation
 - _____ Copy of 2 months most recent pay stubs
 - _____ Copy of 2 months most recent payment for any other income source
 - _____ Copy of previous 2 years' tax return
 - _____ Copy of current bank statement
- 3) _____ Income Eligibility Worksheet & HUD Income Calculation Worksheet found at:
<http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator.cfm> (**Kairos**)
- 4) _____ Proof of at least \$1000.00 cash contribution toward the purchase of the home. Examples include, but are not limited to: loan application fees, home inspection fees, termite inspection fees, earnest money deposit, pre-paid hazard insurance, appraisal, etc. (**Applicant**)
- 5) _____ Copy of Certificate of Completion for an intensive, HUD-certified homeownership program. Certificate must be dated within 1 year of settlement on a home. Counseling must be completed **PRIOR** to having a contract on a home and applying for ADDI program. (**Applicant**)
- 6) _____ Copy of an executed/ratified purchase contract with all addendums for a single-family home located within Prince George's County. (**Applicant**)
- 7) _____ Copy of original signed ADDI Application Affidavit. (**Applicant**)
- 8) _____ Copy of a home inspection report from a certified, licensed home inspector. Report must show that the property is in safe and decent condition. (**Applicant**)
- 9) _____ Copy of approved termite inspection report. (**Applicant**)
- 10) _____ Proof that home meets zoning ordinances. Print-out from the MD Dept. of Assessment & Taxation (**process included behind the list of approved title companies.**) .(**Applicant**)
- 11) _____ Copy of appraisal. (**Applicant**)
- 12) _____ Environmental Review Form (**by L. Krulle/L Curtis - DHCD**)
- 13) _____ Copy of the first mortgage lender's approved credit package for the purchase. Approval of mortgage letter to purchase home, Good Faith Estimate (GFE), Truth-In-Lending (TIL) credit report. Lender approval should acknowledge ADDI in second position. Insert date when the interest rate lock expires. (**Applicant**)
- 14)----- **MCAW/FHA Underwriting and Uniform Residential Loan Application. (must be included) (APPLICANT)**

- 15) _____ If applicable, copy of documentation regarding downpayment and closing cost assistance being provided in the transaction other than the ADDI program.
- 16) _____ Draft HUD-1 settlement sheet from Title Company (Must show ADDI \$5000,00 in section 200; **AMOUNTS PAID BY OR ON BEHALF OF BORROWER. E-mail final 24 hours prior to settlement. (Applicant)**
- 17) _____ Copy of Relocation Disclosure Letter (**signed by the Seller**)
- 18) _____ Original W-9 Request for Taxpayer ID No. & Certification for completed by **ADDI applicant.**
- 19) _____ ADDI Administrator’s Certification of Eligibility (**KAIROS**)
- 20) _____ Title Commitment. Commitment for Title Insurance for primary mortgage and ADDI fund. Make sure copy of Title Insurance Commitment appropriately references the “County Deed of Trust as an instrument executed by (PURCHASER’S NAME) in favor of “Prince George’s County, Maryland to secure a Proposed ADDI HOME Loan in the amount of \$5,000.00 dollars” in Schedule B1 (2)
)” **Prepared By Title company (Applicant)**

ADDI Application Affidavit

I/We _____ (the Purchaser), are applying for the American Dream Downpayment Initiative (ADDI) program in Prince George's County, Maryland. If approved for this downpayment and closing cost loan, the Purchaser agrees to the following terms and conditions. Failure to comply or falsify information will place the purchaser in default and carry all associated penalties.

- The total household income CANNOT exceed 80% of area median income as outlined by the U.S. Department of Housing and Urban Development.
- The Purchaser(s) MUST be a first-time homebuyer or have not owned a home in the past three years.
- The Purchaser at their own expense MUST hire a licensed, certified home inspector. The home inspection report MUST be submitted to HIP/Kairos for approval prior to release of funds.
- Purchaser MUST complete an intensive, HUD-certified homeownership counseling program and have a ratified contract on a single-family home in Prince George's County, Maryland. Counseling must have been completed within 1 year of the settlement. If applicant has completed another counseling program, applicant's homebuying knowledge and situation will be evaluated on a case-by-case basis.
- The Purchaser MUST live in and maintain the home as their primary residence.
- The Purchaser understands they CANNOT enter into temporary subleases of the home during the 5-year loan term.
- The Purchaser understands that NO subordination agreements will be allowed during the life of the loan, other than for the original, first mortgage. This means purchasers will not be able to refinance or take out home equity lines during the five-year loan term, unless the loan is paid off at the time of the refinance or home equity line.
- At settlement, the Purchaser agrees to execute a Promissory Note, Deed of Trust, and a Declaration of Covenant for the ADDI funds
- The downpayment and closing cost assistance from the ADDI program is in the form of a 5-year, 0% loan recorded as a 2nd mortgage against the single-family home. Purchaser will make no monthly payments on the loan. The loan will be forgiven 20% each year until completely forgiven. Purchaser may payoff the ADDI loan prior to the 5-year term. There is no pre-payment penalty.

ADDI Application Affidavit page 1 of 2

Purchaser(s) Initial(s): _____

- Purchaser must contribute their own funds toward the purchase of the home. Purchasers cannot receive cash back at settlement.
- Applications CANNOT be processed unless all documentation is provided and complete.
- ADDI loans CAN BE REJECTED if the first mortgage loan is deemed to be predatory in nature. Loan terms will be evaluated on a case-by-case basis.
- ADDI funds CANNOT be used in conjunction with a transaction that involves an entity or organization that provides downpayment assistance that are financed in whole, or in part, directly or indirectly, by contributions, service fees, or other payments from the sellers of the house, whether or not made in connection with the sale of specific housing acquired with ADDI funds. Examples include but are not limited to Nehemiah and AmeriDream.
- Final approval for the ADDI funds is with the Prince George's County Department of Housing and Community Development. Once the County receives a complete package, processing will take approximately 30-45 days. Settlement should be scheduled accordingly.
- Settlement must take place at one of the County's designated title companies.

Purchaser _____ Date _____

Purchaser _____ Date _____

ADDI Application Affidavit page 2 of 2
Purchaser(s) Initial(s): _____

Kairos Development Corp ADDI PROGRAM

I/We are applying for approval as a "HOME Qualified Purchaser" for:

PROPERTY ADDRESS: _____ Lot: ___ Block: ___

Do you intend to live in this home as your primary residence? Yes ___ No ___

APPLICANT	CO-APPLICANT
NAME: _____	NAME: _____
Date of Birth: _____ Age: _____	Date of Birth: _____ Age: _____
U.S. Citizen () OR Registered Alien ()	U.S. Citizen () OR Registered Alien ()
PRESENT ADDRESS: _____ No. Years _____ Street: _____ City, State, ZIP: _____	PRESENT ADDRESS: _____ No. Years _____ Street: _____ City State, Zip: _____
FORMER ADDRESS: _____ No. Years _____ Street: _____ City, State, ZIP: _____	FORMER ADDRESS _____ No. Years _____ Street: _____ City, State, ZIP: _____
Dependents _____ No.: _____ Ages: _____	Dependents <u>other than listed by Applicant</u> No.: _____ Ages: _____
Marital Status: ()Married ()Separated ()Unmarried	Marital Status: ()Married ()Separated ()Unmarried
Name & Address of Employer: _____	Name & Address of Employer: _____
Yrs. Employed in Profession _____ Yrs. on this job: _____ Self Emp. _____ Position Title: _____ Type of Business: _____	Yrs. Employed in Profession _____ Yrs. on this job: _____ Self Emp. _____ Position Title: _____ Type of Business: _____
SS No.: _____ Home Phone: _____ Bus. Phone: _____	SS No.: _____ Home Phone: _____ Bus. Phone: _____

Are you the Owner or Co-Owner of any property () Yes () No

Are you the Co-Owner of any property () Yes () No

Have you owned a home within the last three years () Yes () No

Have you owned a home within the last three years () Yes () No _____

GROSS INCOME (Before taxes deductions)
W=weekly B-W = Bi-Weekly A- Annual

APPLICANT	Check One		
	W	B-W	A
Base Employment \$			
Overtime \$			
Bonus/Commission \$			
Dividend/Interest \$			
Pen./SSI/Annuity \$			
Child Support \$			
Other \$			
TOTAL \$			

GROSS INCOME (Before taxes deductions)
W=weekly B-W = Bi-Weekly A- Annual

CO-APPLICANT	Check One		
	W	BI-W	A
Base Employment \$			
Overtime \$			
Bonus/Commission \$			
Dividend/Interest \$			
Pen./SSI/Annuity \$			
Child Support \$			
Other \$			
TOTAL \$			

List income of all persons 18 years or older who will reside in the home

	W	B-W	A	Amount
				\$ _____
				\$ _____

TOTAL COMBINED ANNUAL HOUSEHOLD INCOME: \$: _____

ASSETS

Checking/Savings	\$	
Vested Retirement Savings, Stocks/Bonds	\$	
Real Estate (attach description)	\$	
TOTAL Value:		\$ <u> </u>

Provide the following for each person who will live in the home.
List head of household first.

Name	Relationship	Gender	DOB	S.S. NO	Income Included Above
					()yes ()no()no-income
					()yes ()no()no-income
					()yes ()no()no-income
					()yes ()no()no-income
					()yes ()no()no-income
					()yes ()no()no-income
					()yes ()no()no-income

DEBTS

List all debts (charge accounts, auto, installment loans etc.)

Name of Creditor	Original Balance	Present Balance	Monthly Payment

TOTAL (including auto payments): \$

Current Monthly Housing Expense: Monthly Rent: \$

ADDI APPROVED TITLE COMPANIES

<u>Title Company</u>	<u>Contact Person</u>	<u>Telephone No.</u>
O'Malley, Miles, Nylén & Gilmore, P.A. 11785 Beltsville Drive 10 th Floor Calverton, MD 20705	Carol Sellman	(301) 572-3230
Brennan Title Company 5865 Allentown Road Camp Springs, MD 20746	Katherine Grammes	(301) 423-5556
Arrington & Watson, LLC 4500 Forbes Blvd, Ste. 410 Lanham, MD 20706	Abigale Watson	(301) 731-0005
Melvin Schneider, Esq. 7701 Greenbelt Road, Ste. 202 Greenbelt, MD 20770		(301) 982-4800
Worldwide Title Group 8 Reservoir Cir., Ste. 206 Baltimore, MD 21208	Moe Kazin, Esq.	(301) 484-9001
Rock Creek Title, LLC 7850 Walker Drive, Ste. 170 Greenbelt, MD 20770	Marcia McKenzie	(301) 459-8210
National City Title & Escrow, LLC 600 Jefferson Plaza, Ste. 101 Rockville, MD 20852	Craig Sacks	(301) 948-2300
Stewart Title Group 11 Dupont Circle, NW, Ste. 750 Washington, DC 20036	Qiana Howard	(202) 349-0220
Free Star Title & Escrow, Inc. 9315 Largo Drive West, Suite 228 Largo, Maryland 20774	Dawn Sims	(301) 324-7777
Title Associates, Inc. 2411 Crofton Lane, Suite 26 Crofton, Maryland 21114	Richard Ham	(301) 261-0808
Answer Title & Escrow, LLC 10 G Street NE, Suite 410 Washington, DC 20002	Hope Lawery	(202) 204-0600

ADDI Application Instructions How to provide Proof that Home meets Zoning Ordinances

- Go to: <http://www.dat.state.md.us/>
- Click on "Real Property Data Search"
- Click on pull down menu and select "Prince George's County"
- Click "Street Address"
- The site will automatically take you to the next page
- In first box, type in house number
- In second box type in street name. Do not include "Avenue, Street, Lane, etc. For example if the house is on Maple Lane, only type Maple in the box.)
- Click Submit
- Identify the correct street address and click on it.
- Print the page that comes up listing the current owner and address.

American Dream Downpayment Initiative

District of Columbia

Ms. Juanita Britton, Public Information Contact
District of Columbia
Department of Housing and Community Development
801 N. Capitol St., N.E.
Suite 8000
Washington, DC 20002
Phone: 202-442-7200
Fax: 202-442-8391

Maryland

State

Mr. James McAteer, HOME Program Manager
State of Maryland
Department of Housing and Community Development
100 Community Place
Crownsville, MD 21032-2025
Phone: (410) 514-7489
Fax: (410) 514-7291

Cities

City of Baltimore

Mr. Peter Matthews, HOME Program Coordinator
Department of Housing and Community Development
417 E. Fayette St.
Suite 1036
Baltimore, MD 21202-3431
Phone: (410) 396-5590
Fax: (410) 396-1662
Homeownership Office
(410) 396-3124

Counties

County of Anne Arundel

Ms. Kathleen M. Koch, Executive Director
Arundel Community Development Services, Inc.
2666 Riva Rd., Suite 210

Annapolis, MD 21401-9103
Phone: (410) 222-7600
Fax: (410) 222-7860

County of Baltimore

Ms. Elizabeth Glenn, Chief
Office of Community Planning and Development
6401 York Rd.
Second Floor
Baltimore, MD 21212
Phone: (410) 887-6055
Fax: (410) 887-5696

County of Harford

Ms. Elizabeth Hendrix, Community Development Manager
Department of Community Services
220 S. Main St.
Bel Air, MD 21014
Phone: (410) 638-3389
Fax: (410) 803-0433

County of Howard

Ms. Dora Rivera, Specialist
Department of Housing and Community Development
6751 Columbia Gateway Dr.
Third Floor
Columbia, MD 21046
Phone: (410) 313-6016
Fax: (410) 313-6064

County of Montgomery

Ms. Luann W. Korona, Chief
Division of Federal Programs
100 Maryland Ave.
Fourth Floor
Rockville, MD 20850
Phone: (240) 777-3600
Fax: (240) 777-3653

County of Prince George's

Mr. Lloyd Baskins, Manager
Department of Housing and Community Development
9400 Peppercorn Pl.

Suite 120
Largo, MD 20774
Phone: (301) 883-5570
Fax: (301) 925-4147

Virginia

State

Virginia Department of Housing and Community Development
Frances Robinson, Program Assistant
The Jackson Center
501 North Second Street
Richmond, VA. 23219-1321
804-371-7000

Cities

City of Alexandria

Ms. Mildrilyn Davis, Director
Office of Housing
P.O. Box 178
Alexandria, VA 22313
Phone: 703-838-4990
Fax: 703-706-3904

Counties

County of Arlington

Ms. Winsome Craig, Financial Analyst
Housing Division, Dept. of Planning, Housing and Development
2100 Clarendon Blvd.
Suite 700
Arlington, VA 22201
Phone: 703-228-3784
Fax: 703-228-3834

County of Fairfax

Ms. Audrey Spencer-Horsley, Chief
Department of Housing and Community Development
3700 Pender Dr.
Suite 300
Fairfax, VA 22030-7444
Phone: 703-246-5170
Fax: 703-246-5115

County of Prince William

Ms. Teresa Giesting, HOME Program Manager
Office of Housing and Community Development
15941 Donald Curtis Dr.
Suite 112
Woodbridge, VA 22191
Phone: 703-792-7530
Fax: 703-792-4386