

TCAC HOMEBUYER ASSISTANCE PROGRAM

PROGRAM DESCRIPTION

Tennessee's Community Assistance Corporation (TCAC) has initiated an Affordable Homeownership Program designed to increase housing opportunities for low and very low income families. TCAC has been awarded grant funds from the U.S. Department of Housing & Urban Development and other grant programs to provide assistance in the form of soft second mortgages that can be used for down payment, closing cost, and/or principal reduction. The amount of assistance will be between \$1,000 and \$14,999 and will be based on the applicant's need. A Subsidy Analysis will be prepared to determine need. Assistance is subject to availability of funding and will be allocated on a first-come, first-served basis.

Tennessee's Community Assistance Corporation (TCAC) will be assisting prospective homeowners in the following areas:

- Claiborne County, Tennessee
- Cocke County, Tennessee
- Grainger County, Tennessee
- Hamblen County, Tennessee
- Jefferson County, Tennessee
- Union County, Tennessee

HOMEBUYER ELIGIBILITY

Applicants must meet all of the following requirements:

- The household income must be at or below 80% of area median income as established by HUD.
- Applicant(s) cannot have owned a home in the last 3 years.
- Applicant(s) must occupy the property as his/her principal residence.
- Applicant(s) must complete a Homebuyer Education taught by approved agency prior to closing.
- The applicant must obtain fee simple title to the property.
- Applicants must have a minimum investment of 1% of the purchase price.

PROPERTY REQUIREMENTS

Property to be purchased using TCAC funds must meet all the following requirements:

- The property must be a single-family site-built home, condominium unit, townhouse or combination of a lot and manufactured home that is affixed to a permanent foundation.
- The property must not be occupied by a tenant.
- The house to be purchased must comply with Environmental Review Requirements including a floodplain review.
- The appraised value must not exceed the HUD HOME limits. (Currently, existing homes are \$190,000 for Union County, \$170,000 for Jefferson County and \$170,000 for Claiborne, Cocke, Grainger and Hamblen Counties. NEW Construction limit is \$243,000).
- The property must pass a lead and visual inspection.



For more information, visit www.tcac1.org, or
contact: Michelle M. Bazzano,
michelle@tcac1.org, 423-586-7636 X306



2021 HUD Maximum Household Income Limits

(Limits are based on the number of persons living in the household regardless of relationship.)

(Effective 06/01/2021)

Claiborne, Cocke Grainger and Sevier County, Tennessee

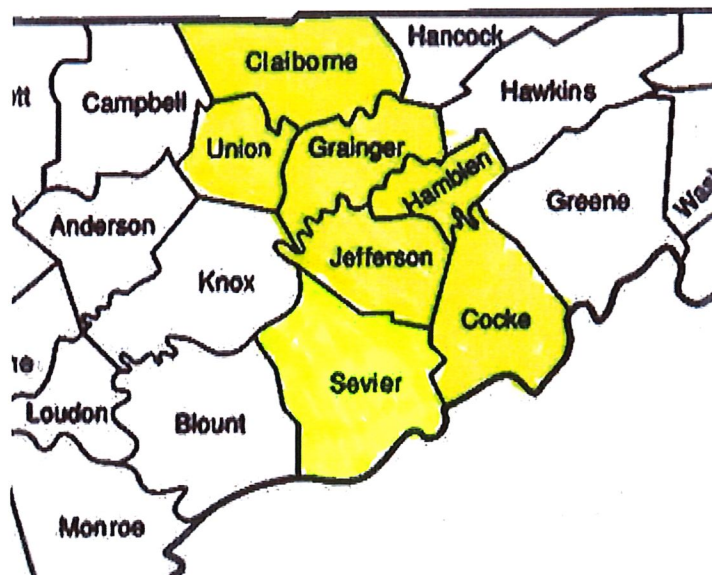
<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>	<u>7 Person</u>
\$31,600	\$36,100	\$40,600	\$45,100	\$48,750	\$52,350	\$55,950

Hamblen County and Jefferson County, Tennessee

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>	<u>7 Person</u>
\$32,550	\$37,200	\$41,850	\$46,500	\$50,250	\$53,950	\$57,700

Union County, Tennessee

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>	<u>7 Person</u>
\$40,900	\$46,750	\$52,600	\$58,400	\$63,100	\$67,750	\$72,450



HOMEBUYER CHECKLIST FOR RESERVATION OF FUNDS

****All of the following must be provided in order to reserve funds from TCAC. ****

****** INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED! ******

- ☐ ***Fully completed application with information from all household members.**
- ☐ ***Income verification.** (Copy of most recent pay-stubs covering a 60 day period or written verification of employment, unemployment compensation statement, social security award letters, etc.)
- ☐ ***Asset Verification.** (Copy of 2 months bank statements for checking and/or savings accounts, stocks, bonds or other accounts or written verification of assets. Please explain all deposits on statements)

******The steps listed below are completed by you after having a fully executed sales contract******

- ☐ **Signed Sales Contract.** (Property must be located in Claiborne County, Cocke County, Grainger County, Hamblen County, Jefferson County and Union County, TN)
- ☐ **Signed Disclosure to Seller** (Provided with application.)
- ☐ **Copy of Commitment Letter from lender for permanent financing.**
- ☐ ***Loan Estimate of Settlement Cost charged in conjunction with your loan and the 1003 Application.** (Provided by your lender.)
- ☐ **You must complete a Homebuyer Education class to take advantage of assistance.** (Call TCAC to sign up.)
- ☐ **Recapture Acknowledgment Form**
- ☐ **Mortgage Fraud Form**
- ☐ **Copy of Photo ID for Applicants**
- ☐ **Signed Acknowledgment Receipt for Fair Housing Booklet**
- ☐ **Signed Acknowledgment Receipt for Lead Based Paint Booklet**
- ☐ **IRS Form W9 – Please use the address of home you are purchasing - 1 for each buyer**

****We will determine the amount of assistance you qualify for when these items are received****

Send all documents to:
Michelle M. Bazzano, 423-587-0783 X306
Email: michelle@tcac1.org
Tennessee's Community Assistance Corporation
740 East Main Street Morristown, TN 37814
Fax: (423) 587-0783



HOMEBUYER APPLICATION

This is a preliminary application for a unit at _____
 It holds no purchase obligations. All information will be verified by the management prior to an applicant being placed on our waiting list for consideration. All applicants must meet established selection criteria.

Date: _____

A. PERSONAL INFORMATION

Head of Household: _____ Age: _____

Social Security Number: _____ Email: _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widowed

Name of Spouse: _____ Age: _____

Social Security Number: _____

Children\Others living in household	Age	Sex	Social Security #
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

INCOME & ASSETS (from all sources and all household members):

To be completed in Section E – on the Individual Income Calculation Sheet

LIST ALL OTHER ASSETS (from all sources and all household members- i.e. stocks, bonds, property)

Are either you or your spouse related to any individual who is employed by the local government or Tennessee's Community Assistance Corporation? ☐ Yes ☐ No

Have either you or your spouse owned a home in the past 3 years? ☐ Yes ☐ No

B. ADDRESS OF PROPERTY TO BE PURCHASED:

(If you do not yet have a property to purchase, put "to be determined" in the space below)

Street

City, State and Zip Code

C. PRESENT HOUSING INFORMATION

How long have you lived at your present address? _____

If you presently rent, how much is your rent? \$ _____ per month.

D. DEBTS

List all current debts, including loans, credit purchases, credit cards, hospital/doctor bills, etc.
Attach a separate sheet if necessary.

COMPANY/LENDER	AMOUNT OWED	PAYMENT	FREQUENCY

If you have ever failed to pay a debt, had a foreclosure, taken bankruptcy, or had a judgment against you for debt, attach a separate sheet of paper explaining the details.

E. INDIVIDUAL INCOME CALCULATION

Use one sheet for each family member. including those without income. Mark N/A for areas which are not applicable to the individual. Signature of family member (or guardian for those under 18) is required.

Name _____ Age _____ Sex _____

Last 4 digits Social Security # _____ Do you receive Food Stamps? Yes _____ No _____

1. DO YOU WORK? LIST ALL EMPLOYERS AND WAGES BELOW. Attach 60 days most recent pay stubs:

EMPLOYER	TYPE OF WORK	HOW OFTEN PAID	GROSS PAY FROM CHECK STUB

2. DO YOU RECEIVE A BENEFIT CHECK (SOCIAL SECURITY, SSI, VA, TANF, UNEMPLOYMENT, RETIREMENT, ETC.)? Attach current benefits statements or 2 recent checkstubs.

WHO IS CHECK FROM?	TYPE OF CHECK	HOW OFTEN PAID	GROSS PAY

3. ARE YOU SUPPOSED TO RECEIVE CHILD SUPPORT, ALIMONY, OR REGULAR GIFTS OF MONEY? Attach court order, payment records.

TYPE OF SUPPORT	AMOUNT	HOW OFTEN PAID	FOR WHICH FAMILY MEMBER?

4. DO YOU HAVE SAVINGS, CHECKING ACCOUNTS, STOCKS, RETIREMENT, ADDITIONAL PROPERTY, OR OTHER ASSETS (DO NOT LIST YOUR CAR OR HOUSE)

Attach IRS 1099 forms, bank statements, deeds.

TYPE OF ASSET	NAME OF COMPANY OR BANK	CURRENT VALUE	INTEREST EARNED FROM ASSET

5. IF YOU RECEIVE NO INCOME, FILL IN THE BOX BELOW:

NAME	ARE YOU A MINOR?	IF OVER 18, HOW LONG UNEMPLOYED?

I certify that the information about me in this application for housing assistance is true and correct and that the address listed is my principal residence. If assistance is approved, I will comply with all HOME rules and regulations. I am aware that providing false information on this application can subject me to criminal sanctions up to and including a Class B Felony.

Signature: _____

Date: _____

*Tennessee's Community Assistance Corporation
Homebuyer Assistance Program*

E. INDIVIDUAL INCOME CALCULATION

Use one sheet for each family member, including those without income. Mark N/A for areas which are not applicable to the individual. Signature of family member (or guardian for those under 18) is required.

Name _____ Age _____ Sex _____

Last 4 digits Social Security # _____ Do you receive Food Stamps? Yes _____ No _____

1. DO YOU WORK? LIST ALL EMPLOYERS AND WAGES BELOW. Attach 60 days most recent pay stubs:

EMPLOYER	TYPE OF WORK	HOW OFTEN PAID	GROSS PAY FROM CHECK STUB

2. DO YOU RECEIVE A BENEFIT CHECK (SOCIAL SECURITY, SSI, VA, TANF, UNEMPLOYMENT, RETIREMENT, ETC.)? Attach current benefits statements or 2 recent checkstubs.

WHO IS CHECK FROM?	TYPE OF CHECK	HOW OFTEN PAID	GROSS PAY

3. ARE YOU SUPPOSED TO RECEIVE CHILD SUPPORT, ALIMONY, OR REGULAR GIFTS OF MONEY? Attach court order, payment records.

TYPE OF SUPPORT	AMOUNT	HOW OFTEN PAID	FOR WHICH FAMILY MEMBER?

4. DO YOU HAVE SAVINGS, CHECKING ACCOUNTS, STOCKS, RETIREMENT, ADDITIONAL PROPERTY, OR OTHER ASSETS (DO NOT LIST YOUR CAR OR HOUSE)

Attach IRS 1099 forms, bank statements, deeds.

TYPE OF ASSET	NAME OF COMPANY OR BANK	CURRENT VALUE	INTEREST EARNED FROM ASSET

5. IF YOU RECEIVE NO INCOME, FILL IN THE BOX BELOW:

NAME	ARE YOU A MINOR?	IF OVER 18, HOW LONG UNEMPLOYED?

I certify that the information about me in this application for housing assistance is true and correct and that the address listed is my principal residence. If assistance is approved, I will comply with all HOME rules and regulations. I am aware that providing false information on this application can subject me to criminal sanctions up to and including a Class B Felony.

Signature: _____

Date: _____

*Tennessee's Community Assistance Corporation
Homebuyer Assistance Program*

CERTIFICATIONS

1. Homeowner must provide the program with proof of homeowner's insurance and must carry full coverage on the value of the home for the full five (5) year compliance period.
2. An inspection of the unit will be performed to determine if the unit meets our program requirements. Housing unit must pass inspection to be eligible for assistance. The inspection completes by our administrators is for program purposes only. *We encourage each home buyer to obtain their own Home Inspection from a Qualified Housing Inspector.*
3. Every purchaser of any interest in property on which a residential dwelling was build prior to 1978 is notified that such property may present exposure to lead from lead-based paint. Exposure may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A visual inspection for possible lead-based paint hazards is required prior to purchase. Units failing inspection will require the current property owner to address identified areas utilizing appropriate interim controls/stabilization process prior topurchase.
4. The funds disbursed through the Tennessee's Community Assistance Corporation (TCAC) Homebuyer Assistance Program will be a soft second mortgage and has an affordability compliance period of (5) years. Funds will be reserved upon receipt of an executed real estate sales contract on a first come-first served basis until funds are depleted.
5. The assisted property will not be used for any illegal or prohibited purpose or use and will be occupied by the applicant **as their primary residence.**
6. Refinancing the first mortgage at any time during the five (5) year affordability period will require repayment of the full HOME investment. Subordination guidelines are spelled out in the General Guidelines/Policies and Procedures of TCAC's Homebuyer Assistance Program.
7. Applicant authorizes verification or re-verification of any information contained in the application that may be made at any time by TCAC, or their program administrator, either directly or from documents received from the first mortgage lender in connection with the purchase of property.
8. The original copy of this application will be retained by TCAC.
9. Applicants must meet guidelines provided by the Department of Housing and Urban Development (HUD) and TCAC for eligibility. This application, or any information contained herein, may be forwarded for use by a financial lending institution to assist in determining eligibility and/or processing a loan utilizing TCAC's homebuyer assistance program.

Equal Credit Opportunity Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applications on the basis of race, color, religion, national origin, sex, marital status and age. In addition, **Fair Housing Act:** Funds available to the TCAC's Homebuyer Assistance Program are available to all qualified applicants with no limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin.

Certification of Accuracy: The following parties have reviewed the information contained in this form and are in receipt of a copy of this form. The following parties certify, to the best of their knowledge that the information provided by the signatory is true and accurate. I will comply with the HOME program rules and regulations if assistance is approved. I also certify that I am aware that providing false information on the application can subject the individual signing such application to criminal sanction up to and including a Class B Felony.

Applicant

Date

Applicant

Date

PLEASE BE SURE AND FILL THIS SECTION OUT COMPLETELY

RACE/NATIONAL ORIGIN: Applicant _____ Co-Applicant _____

SEX: Applicant _____ Co-Applicant _____

HISPANIC: Applicant Yes _____ No _____ / Co-Applicant Yes _____ No _____

U.S. CITIZEN: Applicant Yes _____ No _____ / Co-Applicant Yes _____ No _____

PERMANENT RESIDENT ALIEN: Applicant Yes _____ No _____ / Co-Applicant Yes _____ No _____



Tennessee's Community Assistance Corporation

740 East Main Street
Morristown, TN 37814
Phone: 423-586-7636 Fax: 423-587-0783

AUTHORIZATION TO RELEASE INFORMATION

TO: _____

RE: _____

Account or Other Identifying Number

Name of Customer

I, and/or adults in my household, have applied for or obtained a homebuyer assistance program loan or grant from Tennessee's Community Assistance Corporation (TCAC). As part of this process or in considering my household for interest credit, payment assistance, or other servicing assistance on such loan, TCAC may verify information contained in my request for assistance and in other documents required in connection with the request.

I, or another adult in my household, authorize you to provide to TCAC for verification purposes the following applicable information:

- Past and present employment or income records
- Bank account, stock holdings, and any other asset balances
- Past and present landlord references
- Other consumer credit references

If applicable to determine eligibility for a new loan or grant, I further authorize TCAC or its program partners to order a consumer credit report and verify other credit information.

I understand that under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401, et seq., TCAC is authorized to access my financial records held by financial institutions in connection with the consideration or administration of assistance to me. I also understand that financial records involving my loan and loan application will be available to TCAC without further notice or authorization, but will not be disclosed or released by TCAC to another Government agency or department or used for another purpose without my consent except as required or permitted by law.

This authorization is valid for the life of the loan or grant. The information TCAC obtains is only to be used to process my request for a loan or grant.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Date

Signature (Applicant or Adult Household Member)

Homebuyer Education

Approved Curriculum: NCHCEC Realizing the American Dream

Certification of completion is valid for one year.

You will learn:

- The steps in the home buying process
- The steps in the mortgage loan process
- How to shop for a home
- How lenders use credit
- How to budget for a home
- How to properly care for your new home

Due to COVID-19 restrictions, only an Online Course option is available at this time.

Offered through a partnership with [eHomeAmerica](#), this online course allows you the flexibility to participate from the comfort of your own home. You can set your own pace and save progress as needed, if you need to stop and pick up again where you left off. In addition to the online curriculum, you will also receive a personalized session to individualize your own action plan and budget. Upon completion of this one on one session, you will receive a certificate of completion. Please remember to forward a copy of your certificate to us!

Completion of the Homebuyer Education requirement is a 2-step process:

- 1) You must first register with eHomeAmerica utilizing one of our approved partner agencies (via either link below). Please note that there will be a \$99 charge at the time of registration, however this cost can be applied towards meeting the program requirement of 1% of purchase price contributed by homebuyer.
- 2) After you have completed the online curriculum, you will automatically receive a follow-up email from the partner agency to schedule your 1-hour personalized session with a housing counselor (this session will also be via phone call or virtual Zoom meeting, due to COVID-19 restrictions). BE SURE TO CHECK YOUR EMAIL to ensure that the required session can be scheduled and completed as soon as possible. After your personalized session is completed, the agency will email your completed course certificate. **Important: We cannot schedule your closing until this certificate has been received!**

Approved Homebuyer Education Trainers/Agencies: (website links to sign up)

Clinch-Powell RC&D, Rutledge www.ehomeamerica.org/clinchpowell

HomeSource East Tennessee, Knoxville www.ehomeamerica.org/khpi
(HomeSource also offers counseling session in Spanish if needed)