

**COUNTY OF OCEAN  
CONSORTIUM  
FIRST TIME HOMEBUYER  
PROGRAM GUIDELINES**



**Sponsored By:  
Ocean County Board of Commissioners**

**Program Administrator:  
O.C.E.A.N., Inc.  
40 Washington Street  
Toms River, NJ 08754**

**Contact:  
Housing Counselor  
(732) 244-5333 x 1110**

# OCEAN COUNTY CONSORTIUM FIRST TIME HOMEBUYER PROGRAM REQUIREMENTS

The Ocean County Consortium receives HOME Investment Partnership Program funding each year from the U.S. Department of Housing and Urban Development. HOME Program funds are used to create affordable housing for low and moderate income households. A portion of the HOME funds are set aside to assist the Ocean County Consortium with the funding needed to continue the FIRST TIME HOMEBUYER PROGRAM. The purpose of this program is to assist first time homebuyers with closing costs and down-payment assistance. The goal of this program is to help Ocean County residents achieve their dream of homeownership.

The FIRST TIME HOMEBUYERS PROGRAM is proudly sponsored by the Ocean County Board of Commissioners on behalf of the Ocean County Consortium. The program provides \$10,000 in financial assistance to qualified low and moderate Ocean County residents to assist in the opportunity to purchase a home in Ocean County. **The assistance is in the form of a deferred loan agreement which is forgiven after a period of six years.** The program features reduced bank fees and closing costs. There are no mortgage discount points charged to the homebuyers in this program. The homebuyer must have a minimum of 3.0% of the Sales Price as down-payment, however, **only 1.50% is required to be from the homebuyer's account.** The remaining 1.50% can be from gift funds or from the First Time Homebuyer program.

**These funds are available on a first-come, first-serve basis and are subject to availability. These grant funds are not guaranteed and are approved on a case-by-case basis. The total amount of funds received from the U.S. Department of Housing and Urban Development for this grant is limited annually.**

The First Time Homebuyer Grant Program brings together county and local government agencies, several participating lenders, a state agency, and a non-profit organization, O.C.E.A.N., Inc., in a cooperative effort to increase the opportunity for homeownership for our low and moderate income residents. The participating lenders agree to comply with the Ocean County First Time Homebuyer Program guidelines and offer equal services to our applicants. The list of participating lenders is located on Page 5. These lenders will be happy to guide you through the home-buying process in the most efficient manner possible.

## Definition of a FIRST TIME HOMEBUYER:

An applicant is considered a First Time Homebuyer if he/she meets the following requirements:

1.	A person who has never owned a home
2.	A person who has not owned a home in the past three (3) years
3.	A person that has previously owned a home with a former spouse or significant other, no longer resides in that home, and is trying to purchase a home sole and separately.

**ELIGIBILITY REQUIREMENTS:**

1.	<b>MUST be a resident of Ocean County</b>
2.	MUST have a down-payment amount of 3.0% of the Sales Price. NOTE: <b>An amount of 1.50% of the Sales Price must be from your own account.</b>
3.	MUST meet the INCOME LIMIT REQUIREMENTS as stated below
4.	MUST meet the CREDIT REPORT REQUIREMENTS – your credit score must comply with the mortgage standards to be deemed ‘mortgage ready’.
5.	MUST have sufficient income to support the monthly mortgage loan payment and monthly recurring debts.
6.	MUST have a steady employment history
7.	MUST meet the ASSET TEST requirements – and show an established pattern of savings
8.	MUST be a U.S. Citizen or a qualified alien
9.	MUST attend the O.C.E.A.N., Inc HUD Certified Homeownership Education Workshops which are offered to all applicants every three months. <b>(February, May, August and November)</b>
10.	BOTH husband and wife (or significant other) MUST be enrolled in the grant program. The mortgage loan may be in one name only but the grant requires both applicants be enrolled.
11.	<b>MUST have a TWO MONTH RESERVE of the TOTAL MONTHLY MORTGAGE PAYMENT in the bank.</b> This includes the monthly principal, interest, taxes, HO Insurance, Mortgage Insurance and Homeowners Association Dues. This will be verified by submitting a current bank statement.

**INCOME LIMIT REQUIREMENTS PER HOUSEHOLD SIZE**

Your household income from ALL sources (Wages, Pension, Social Security, Child Support, Alimony, Section 8 Assistance, Scholarships, etc.) must not exceed the income limit set for the Ocean County region. Income from ALL occupants of the household must be included. ALL household income, including overtime and shift differential, will be included in the income calculation for the grant program.

**INCOME LIMITS BY HOUSEHOLD SIZE**

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
\$55,950	\$63,950	\$71,950	\$79,900	\$86,300	\$92,700	\$99,100	\$105,550

Effective July 2021

**WHAT HOUSES ARE ELIGIBLE:**

1.	Any Single Family House, Condominium, Townhouse or Manufactured Home in Ocean Co.
2.	Purchase Price of the home cannot exceed the Maximum Limit of Ocean County. The maximum limit is currently \$299,000. The home must be located in Ocean County.
3.	The First Time Homebuyer MUST live in the house within sixty (60) days after closing.
4.	The home purchased MUST be your PRIMARY RESIDENCE during the entire life of the grant period (SIX YEARS) and may not be used as a rental investment property. INVESTORS are not eligible for the First Time Homebuyer grant program.
5.	The GRANT will be secured by a second mortgage on the property. Upon completion of the six year grant period the second mortgage will be forgiven and cancelled.

**WHAT ARE THE LOAN REQUIREMENTS:**

1.	The mortgage loan must be a FIXED RATE – FHA, VA or CONVENTIONAL MORTGAGE LOAN
2.	The mortgage term must be for THIRTY YEARS ( 360 Months)
3.	You may obtain a mortgage loan with as little as 3.0% down-payment. Your income must be sufficient to re-pay the loan according to the mortgage loan program.
4.	The maximum closing cost and down-payment assistance to be provided from the grant program is \$10,000. County Funds will be applied toward closing costs first and the remaining funds will go toward down-payment assistance.
5.	Private Mortgage Insurance may be required on your mortgage loan. Mortgage Insurance will be provided by your lender according to the mortgage guidelines on your loan.

**RECAPTURE PROVISION:**

If you sell your home, rent your home, or do a refinance for cash-out within the first SIX YEARS of purchase, you will be subject to immediate re-payment of the full amount of HOME funds awarded to you through the deferred loan from the County of Ocean.

**DOCUMENTS REQUIRED:**

1.	FEDERAL Income Tax Return for the previous TWO years – MUST have INK Signature
2.	IRS FORM 4506-T - “Request for Transcripts of Tax Return” – Must be completed and signed in ink.
3.	Copy of Credit Report – must be ordered by O.C.E.A.N., Inc. or provided by your lender
4..	Copies of Bank Statements for all accounts for the previous six months – ALL Pages
5.	Copies of Paystubs – four most recent consecutive paystubs for all jobs.
6.	Other Income – provide proof of any other income you may have from all jobs.
7.	Copies of W-2 Forms for the previous two years for all jobs.
8.	Verification of Assets on Deposit Form
9.	Verification of Assets Disposed of Form
10.	HOME Eligibility Release Form
11.	Documentation for any GIFT FUNDS received – must be exact amount of gift
12.	Scholarship Award Letter – if applicable
13.	Copies of Social Security Cards for all household members
14.	Copies of PHOTO ID for all adult applicants
15.	Copy of Final 1003 Application Form – all pages
16.	Copy of Transmittal Summary
17.	Copy of Loan Commitment / Loan Approval
18.	Copy of Appraisal

**\*\*\* DO NOT SEND IN ANY OF THE ABOVE DOCUMENTS AT THIS TIME \*\*\***

**DOCUMENTS FOR THE FIRST TIME HOMEBUYER APPLICATION ARE REQUESTED WHEN THE APPLICATION PACKET IS MAILED OUT TO THE APPLICANT.**

**PLEASE FOLLOW THE INSTRUCTIONS PROVIDED IN THE APPLICATION PACKET**

These documents will be used by O.C.E.A.N., Inc. to verify eligibility for the grant program according to the U.S. Department of Housing and Urban Development (HUD) regulations. The documents will be retained by the County of Ocean for review by HUD. The County reserves the right to access all income and asset documentation provided by the lender. The County reserves the right to verify all income, gift money, deposit sources and residency throughout the life of the deferred loan. In accordance with federal regulations, all income documentation must be six months current. If you have not closed on a home in six months from submitting your income documents, you will be required to update your file and resubmit your income documentation. Failure to accurately disclose all income and asset information will result in disqualification from the First Time Homebuyer Grant Program. Any false or fraudulent information provided by an applicant will be reported to the Department of Housing and Urban Development for further legal action.

**WHAT IS THE PROCESS:**

O.C.E.A.N., Inc. is the non-profit organization that administers the First Time Homebuyer Grant Program. The Housing Counselor at O.C.E.A.N., Inc. will provide an applicant with a Pre-Application Packet. The applicant is to complete the Pre-Application forms and return them to the Housing Counselor. After the Housing Counselor receives the Pre-Application forms the applicant is enrolled in the next set of workshops and an Application Packet is sent out to the applicant. Upon approval of the completed application and receipt of a fully executed Contract of Sale, O.C.E.A.N., Inc. will notify the County of Ocean of the applicant's eligibility for the grant funds. At this time funds will be reserved for the applicant. **As a reminder, funds are allocated on a first-come, first-serve basis and there is NO GUARANTEE of receiving the grant funds for closing at this time.** After completion of the mandatory education workshops, receipt of the mortgage loan commitment from the lender chosen from the Lender List, and successful completion of legal documents from your closing attorney, the County of Ocean will request the release of funds for your closing. The steps on the following page detail this process.

**LEAD BASED PAINT REGULATIONS**

All applicants must comply with the requirements set forth in 24 CFR Part 35, et al, of the Federal Register dated September 15, 1999 and as amended, for the requirements of Notification, Evaluation, and Reduction of Lead Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance. All residential dwellings built prior to 1978 must be visually inspected for lead based paint and lead based paint hazards. If lead paint is present, abatement must be performed in accordance with the federal standards. Disclosure documents

must be signed by the Seller, Buyer and Administrator of the Homebuyer Grant Program and be retained in the file. The homebuyer must receive a copy of the pamphlet "Protect Your Family From Lead In Your Home".

## PARTICIPATING MORTGAGE LENDERS

<b>OCEAN COUNTY CONSORTIUM FIRST TIME HOMEBUYER GRANT PROGRAM LENDER LIST</b>		
<b>Kevin Kennedy Advisors Mortgage 732-597-4398</b>	<b>Susanne Saller Caliber Home Loans (908) 963-6966</b>	<b>Donna Marshall Family First Funding 732-606-4156</b>
<b>John Kaba Investor Savings Bank 732-757-1706</b>	<b>Timothy McGlue M&amp;T Bank 732-239-1096</b>	<b>Ryan Tutzauer OceanFirst Bank 888-625-2633</b>
<b>Robert Wondolowski OceanFirst Bank 888-623-2633 Ext.7252</b>	<b>Janice Foy-Cribb Santander Bank 609-894-8410</b>	<b>Chris Padovani Union Home Mortgage 732-207-8700</b>
<b>Eric Bornebusch Union Home Mortgage 732-581-4718</b>	<b>Gary Fish Union Home Mortgage 732-580-5667</b>	
<b>USDA AND NJHMFA LOAN PROGRAMS ARE ALLOWED IN THE FTHB PROGRAM</b>		
<b>USDA: <a href="http://www.rurdev.usda.gov/nj">www.rurdev.usda.gov/nj</a></b>	<b>NJHMFA: <a href="http://www.nj-hmfa.com">www.nj-hmfa.com</a> or: <a href="http://www.njhousing.gov">www.njhousing.gov</a></b>	

### OCEAN COUNTY HOME PROGRAM – CONSORTIUM MEMBERS

Ocean County, Brick Township, Jackson Township,  
Lakewood Township and Toms River Township

#### THIS PROGRAM IS SPONSORED BY:

Ocean County Board of Commissioners

Gary Quinn, Director

Gerry P. Little, Deputy Director

Virginia E. Haines

John P. Kelly

Joseph H. Vicari

## FIRST TIME HOMEBUYER STEPS

STEP 1	<p>Applicants interested in the Ocean County First Time Homebuyer Grant Program must complete and return the Pre-Application Form, Credit Authorization Form and send in a Check or Money Order to O.C.E.A.N., Inc. to release a copy of their credit report. Applicants must state the name of their Loan Officer at this time.</p> <p><b>The applicants will then receive the Application Packet in the mail requesting the documents required for the grant program. Applicants must provide ALL documents as instructed on the Supporting Document Checklist.</b></p>
STEP 2	O.C.E.A.N., Inc. will review the application and supporting documents to determine eligibility of the applicants. All income documents must be six months current
STEP 3	A credit report must be provided to O.C.E.A.N., Inc. by the applicant's chosen lender or purchased through O.C.E.A.N., Inc. A copy of the applicant's credit report will be provided to the applicant at the workshop.
STEP 4	<p><b>Applicants are enrolled in the mandatory HUD education workshops provided by O.C.E.A.N., Inc.</b> – The workshops will include homeownership education, credit and budgeting information and homeownership responsibilities. All applicants who have completed <b>both</b> HUD Workshops as evidenced by the sign-in sheets at the workshops will receive a Certificate of Eligibility. <b>All applicants must attend both workshops – NO exceptions.</b></p>
STEP 5	Applicants that have received their Certificate Of Eligibility will have six months to purchase a home and schedule their closing. An extension can be granted for an additional six months by sending in a written request to O.C.E.A.N., Inc.
STEP 6	<p>Once the Purchase Agreement has been signed by all parties the applicant must provide a <b>legible Sales Contract</b>. The applicant must provide the name, address, phone number and e-mail address of their closing attorney to O.C.E.A.N., Inc. at this time.</p> <p><b>Please follow the instructions on the Contract Submission Form</b></p>
STEP 7	<b>Once the Mortgage Lender has successfully completed the mortgage loan, the loan officer is to provide copies of the Final 1003 Application, Loan Commitment / Approval, Transmittal Summary and Appraisal to the housing counselor at O.C.E.A.N., Inc.</b>
STEP 8	<p>Upon receipt of the purchase agreement, O.C.E.A.N., Inc. will forward the legal documents with instructions to the applicant's closing attorney. If the applicant's closing attorney does not provide a complete closing package as per the instructions the process will be delayed until a correct package is provided. Grant funds will not be released until all the documents have been reviewed and approved by the County's attorney. Board Meetings are scheduled twice each month. The attorney's closing package must be submitted two weeks prior to the Board Meeting.</p> <p><b>The closing date can be confirmed one week after the Board Meeting.</b></p>
STEP 9	<b>Up-dating of your file will be necessary prior to forwarding the Purchase Contract.</b>
STEP 10	<b>CLOSING</b> – Once you receive approval from the County's attorney, your attorney can schedule your closing. <b>Please note that your attorney must provide a written request for release of funds at least four weeks prior to the scheduled closing date.</b>
STEP 11	<b>Congratulations! You are the official owner of your own home!</b>
STEP 12	Monitoring for 'principal residency' will be conducted annually after your closing. The County may audit the file throughout the duration of the deferred loan.

## OCEAN COUNTY FIRST TIME HOMEBUYER PROGRAM ASSET TEST

### WHAT IS AN ASSET?

The chart below provides information regarding what determines an asset in the First Time Homebuyer Program. It is important to note that an applicant in the program must have less than 30% of the purchase price in combined assets OR less than \$60,000 of cash and liquid assets in total. The lesser of the asset test will apply. An asset is defined as any cash or non-cash items that can be converted into cash.

(Example: Sales Price = \$250,000; 30% of Sales Price = \$75,000; applicant must have less than \$60,000 in total combined assets because \$60,000 is less than \$75,000)

Please review the items in the chart below for further clarification:

Checking and Savings Accounts	Bank Statements for the previous six months are required which will state your account balances
401K Accounts, 403B Accounts Mutual Funds, Stocks and Bonds.	Statements for all other asset accounts are required for the previous six months. This includes all types of Investment Accounts.
Gifts from Family or Friends	ALL GIFT FUNDS RECEIVED MUST BE STATED AT TIME OF APPLICATION. PROPER DOCUMENTATION OF GIFT RECEIPT MUST BE PROVIDED.
Gift of Equity	If the appraised value is greater than the sales price, the difference between the value and the sales price results in a Gift of Equity. This gift of equity is treated as an asset in this program.
Housing Assistance	Funds received from Section 8 Housing Assistance are considered an ASSET in the First Time Homebuyer Program.
Equity in Real Property or other capital investments.	Equity is defined as the estimated current market value of the asset minus the unpaid balance on all loans secured by that asset.
Cash Value of any TRUST Accounts	Any trusts available to the household will be considered an asset.
Grant Funds	Grant Funds from any other source are considered an ASSET in the First Time Homebuyer Program.
Lump Sum Receipts	Any Lottery Winnings, Capital Gains, Insurance Settlements, etc. are considered an asset.
Income or Cash from Pensions and/or Retirement Accounts	Any amount that is received from a Pension or a Retirement account will be considered an asset in this program.
Personal Property held as an Investment	Any personal property such as coin collections, gems, antique cars, or any other type of valuable collectible will be considered an asset.

**\*Important Note - ALL assets must be disclosed at time of Application.**

Once the FTHB Application and Supporting Documents have been received, any changes to the *type* of assets stated on the application forms will result in a DENIAL in the program. It is important that you accurately disclose the exact amount of your assets and that this amount matches exactly the amount that the mortgage lender provides on the Uniform Residential Loan Application. ANY DISCREPANCY WILL RESULT IN A DENIAL OF THE GRANT FUNDS.