


# County of Ocean Consortium



## First Time Homebuyer Program Guidelines

 **Down payment and Closing Cost Assistance**

 **Achieve your dream of owning your own home!**



sponsored by the

**Ocean County Board of Commissioners**



in partnership with Program Administrator

**O.C.E.A.N., Inc.**

40 Washington Street  
Toms River, NJ 08754



Housing Counselor Thomasina Lloyd  
(732) 244-5333 x1110 | TLloyd@oceaninc.org



EQUAL HOUSING OPPORTUNITY



# County of Ocean Consortium



## First Time Homebuyer Program Guidelines

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## First Time Homebuyer Program Guidelines

### Overview:

- The **FIRST TIME HOMEBUYER PROGRAM** is proudly sponsored by the Ocean County Board of Commissioners on behalf of the Ocean County Consortium through the County Planning Department.
- The Ocean County Consortium receives HOME Investment Partnership Program funding each year from the **U.S. Department of Housing and Urban Development (HUD)**. HOME Program funds are used to create affordable housing for low and moderate income households.
- The First Time Homebuyer Program is administered in partnership with O.C.E.A.N., Inc. The O.C.E.A.N., Inc. Housing Counselor will be the Applicant's point of contact to provide assistance and guide them throughout the process.



### Purpose:

To assist first time homebuyers with closing costs and down-payment assistance.

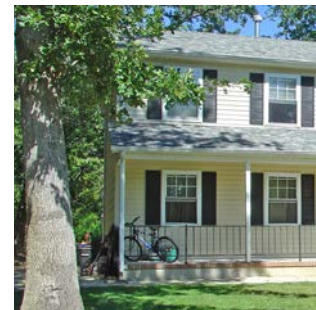


### Goal:

To help Ocean County residents achieve their dream of homeownership.

### Program Features:

- The program provides **\$15,000** in financial assistance to qualified low and moderate Ocean County residents to assist in the opportunity to purchase a home in Ocean County.
- The homebuyer must have a minimum of 3.0% of the Sales Price as down-payment; however, only 1.0% is required to be from the homebuyer's account. The remaining 2.0% can be from gift funds or from the First Time Homebuyer program.
- The assistance is in the form of a deferred loan, and is secured by a second mortgage, which is forgiven and canceled after a period of six years.
- The program features reduced bank fees and closing costs.
- Mortgage discount points are permissible only if paid by buyer or seller and not through program grant funds.
- Participating Lenders agree to comply with the Ocean County First Time Homebuyer Program Guidelines and offer equal services to our applicants.



**\***These funds are available on a first-come, first-serve basis and are subject to availability. The funds are not guaranteed and are approved on a case-by-case basis. The total amount of funds received from HUD for this grant is limited annually.



# Homebuyer Eligibility Requirements

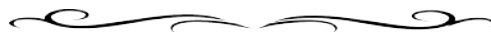
Prospective homebuyers must meet the following requirements to be eligible for assistance:

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

- 1) Has not owned a home on their own in the past three (3) years;
- 2) Or who has previously owned a home with a former spouse or significant other and no longer resides in that home, and is trying to purchase a home solely and separately.

- MUST be a resident of Ocean County.
- MUST be a U.S. Citizen or a qualified alien.
- MUST have a steady employment history.
- MUST have a **down-payment amount of 3.0% of the Sales Price.**  
*NOTE: An amount of 1.0% of the Sales Price must be from your own account.*
- MUST meet the **HUD INCOME LIMIT REQUIREMENTS** below.
- MUST meet the **CREDIT REPORT REQUIREMENTS** – your credit score must comply with the mortgage standards to be deemed “mortgage ready” with a minimum credit score of 620.
- MUST have sufficient income** to support the monthly mortgage loan payment and monthly recurring debts.
- MUST have a **TWO MONTH RESERVE** of the TOTAL MONTHLY MORTGAGE PAYMENT in the bank. This includes the monthly principal, interest, taxes, Homeowners’ Insurance, Mortgage Insurance and Homeowners Association Dues. This will be verified by submitting a current bank statement.
- MUST meet the **ASSET TEST** requirements (Page 6) – and show an established pattern of savings.
- MUST attend the O.C.E.A.N., Inc. HUD Certified **Homeownership Education Workshops**, which are offered to all applicants that submitted their completed applications, forms and all supporting documents. The two-part (6 hours total) workshops are offered every three months.
- ALL APPLICANTS MUST be enrolled in the grant program. (The mortgage loan may be in one name only, but the grant requires all Applicants be enrolled.)

**\* INVESTORS are not eligible for the First-Time Homebuyer grant program.**



## HUD Income Limit Requirements per 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

**\* TOTAL household income from ALL sources for ALL members of the household (Wages, Pension, Social Security, Child Support, Alimony, Section 8 Assistance, Scholarships, etc.)**



## Eligible Homes

The home **MUST** be located in Ocean County.

- Eligible housing types** include: Single Family, Condominium, Townhouse or Manufactured Home. No mobile homes.
- Purchase Price of the home cannot exceed \$337,000**, current maximum HUD limit for Ocean County.
- The **First Time Homebuyer MUST live in the house as principal residence** within sixty (60) days after closing.
- The home purchased **MUST be your PRIMARY RESIDENCE** during the entire life of the grant period (6 YEARS) and may not be used as a rental investment property. **INVESTORS are not eligible for the First-Time Homebuyer grant program.**
- The property being acquired must meet HUD and local housing standards and code requirements, prior to receiving assistance.

## Loan Requirements

- The mortgage loan must be a **FIXED RATE – FHA, VA or CONVENTIONAL MORTGAGE LOAN.**
- 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 terms.
- The maximum closing cost and down-payment assistance to be provided from the grant program is \$15,000. County Funds will be applied toward closing costs first and the remaining funds will go toward down-payment assistance.
- 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.
- 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 canceled.
- The mortgage term can be subordinated with a 15-year or 30-year Mortgage.
- Buyers may not receive cash back at closing.
- See Page 7 for a list of Participating Lenders.



## Housing Counseling Services

Those who do not qualify for the First Time Homebuyer program may decide to utilize other O.C.E.A.N., Inc. Housing Counseling services to obtain assistance in developing a savings plan, repairing and maintaining good credit, and budgeting for homeownership.

Contact the O.C.E.A.N., Inc. Housing Counselor for more information on their counseling services. (732) 244-5333 x1110 or email [TLloyd@oceaninc.org](mailto:TLloyd@oceaninc.org).

# First Time Homebuyer Program Steps



## 1 Review ELIGIBILITY Requirements and Guidelines

- Prospective Applicant to review the Eligibility Requirements as listed in the Program Guidelines, including the HUD Income Limits.
- Contact the Housing Counselor at O.C.E.A.N., Inc.** for the **PRE-APPLICATION** Packet.

## 2 PRE-APPLICATION

- Complete and return the **PRE-APPLICATION FORM** and **CREDIT AUTHORIZATION FORM**, along with a Check or Money Order, payable to O.C.E.A.N., Inc. to release a copy of your credit report.
- Select a **LOAN OFFICER** from the List of Participating Lenders (Page 7).

## 3 APPLICATION

- Housing Counselor will send out the **APPLICATION PACKET** - Complete and return with all required documents as listed on Page 5. All income documents must be 6 months current.
- HOUSING EDUCATION WORKSHOPS:** Enroll in the **mandatory** HUD-approved Homeownership Education Workshops provided by O.C.E.A.N., Inc. – The two-part (6 hours total) workshops will include homeownership education, credit and budgeting information and homeownership responsibilities.

## 4 CERTIFICATE OF ELIGIBILITY

- CONGRATULATIONS! You have completed the PROGRAM ELIGIBILITY PHASE and will receive your CERTIFICATE OF ELIGIBILITY. Applicant now has 6 months to purchase a home and schedule the CLOSING.** *(An extension can be granted for an additional six months by sending in a written request to O.C.E.A.N., Inc.)*

## 5 CONTRACT OF SALE

- Once the **SALES CONTRACT** has been signed by all parties, the Applicant provides it to O.C.E.A.N., Inc., along with the name and contact info of their **CLOSING ATTORNEY**. O.C.E.A.N., Inc. will notify the County of an Applicant's eligibility and a Resolution authorizing funding will be prepared for the next meeting of the Ocean County Board of Commissioners.

## 6 MORTGAGE and FINAL REVIEW

- The **MORTGAGE LENDER** forwards the Final 1003 Application, Loan Commitment/Approval, Transmittal Summary and Appraisal to O.C.E.A.N., Inc. and the Applicant's Attorney for review. Upon completion of the legal documents, the Applicant's Attorney forwards a **COMPLETE CLOSING PACKAGE** to the COUNTY'S ATTORNEY (Berry, Sahradnik, Kotzas & Benson, P.C)

## 7 CLOSING

- Once the **COMPLETE CLOSING PACKAGE** is received from the Applicant's Attorney and approved by the COUNTY'S ATTORNEY, the **CLOSING** can be scheduled. A representative from the County will provide the grant funds to the Applicant at the closing.



**CONGRATULATIONS!  
YOU ARE THE OFFICIAL OWNER  
OF YOUR OWN HOME!**

\* Monitoring for 'principal residency' will be conducted annually after your closing. The County may audit the file throughout the duration of the deferred loan.



# Required Documents



## DOCUMENTS to be submitted with the APPLICATION PACKET by APPLICANT to O.C.E.A.N., Inc.:

- FEDERAL Income Tax Return for the previous TWO years – MUST have INK Signature
- IRS FORM 4506-T - “Request for Transcripts of Tax Return” – Must be completed and signed in ink
- Copy of Credit Report – Must be ordered by O.C.E.A.N., Inc. or provided by your lender
- Copies of Bank Statements for all accounts for the previous six months – ALL Pages
- Copies of Paystubs – four most recent consecutive paystubs for all jobs
- Other Income – provide proof of any other income you may have from all jobs
- Copies of W-2 Forms for the previous two years for all jobs
- Verification of Assets on Deposit Form
- Verification of Assets Disposed of Form
- HOME Eligibility Release Form
- Documentation for any GIFT FUNDS received – must be exact amount of gift(s)
- Copies of Social Security Cards for all household members
- Copies of PHOTO ID for all adult applicants

## DOCUMENTS to be submitted once UNDER CONTRACT from APPLICANT to O.C.E.A.N, Inc.

- Copy of Contract of Sale (signed by Seller and Buyer)
- Copy of Deposit Check
- Copy of Inspection Report (once available)



## MORTGAGE FORMS - Submitted by LENDER to O.C.E.A.N, Inc. AS SOON AS AVAILABLE

- Copy of Final Mortgage Application Form 1003 – all pages
- Copy of Uniform Underwriting and Transmittal Summary Form 1008
- Copy of Loan Commitment / Loan Approval
- Copy of Home Appraisal

## \* IMPORTANT:

- These documents will be used by O.C.E.A.N., Inc. to verify eligibility for the FTHB 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.



# Asset Test

**The Applicant 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.**

HOME PURCHASE PRICE:	Maximum in TOTAL ASSETS:
\$100,000	\$30,000
\$125,000	\$37,500
\$150,000	\$45,000
\$175,000	\$52,500
\$200,000	\$60,000
> \$200,000	\$60,000
* \$337,000	\$60,000

\* Maximum Purchase Price allowable under the FTHB Program

## Assets:

An asset is defined as any cash or non-cash items that can be converted into cash.

### ★ IMPORTANT - 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.**

<b>Checking and Savings Accounts</b>	Bank Statements for the previous six months are required which state your account balances.
<b>401K Accounts, 403B Accounts Mutual Funds, Stocks and Bonds.</b>	Statements for all other asset accounts are required for the previous six months. This includes all types of Investment Accounts.
<b>Gifts from Family or Friends</b>	All gift funds received must be stated at time of APPLICATION. Proper documentation of gift receipt MUST be provided.
<b>Gift of Equity</b>	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.
<b>Housing Assistance</b>	Funds received from Section 8 Housing Assistance are considered an ASSET in the First Time Homebuyer Program.
<b>Equity in Real Property or other capital investments.</b>	Equity is defined as the estimated current market value of the asset minus the unpaid balance on all loans secured by that asset.
<b>Cash Value of any TRUST Accounts</b>	Any trusts available to the household will be considered an ASSET.
<b>Grant Funds</b>	Grant Funds from any other source are considered an ASSET in the First Time Homebuyer Program.
<b>Lump Sum Receipts</b>	Any Lottery Winnings, Capital Gains, Insurance Settlements, etc. are considered an ASSET.
<b>Income or Cash from Pensions and/or Retirement Accounts</b>	Any amount that is received from a Pension or a Retirement account will be considered an ASSET in this program.
<b>Personal Property held as an Investment</b>	Any personal property such as coin collections, gems, antique cars, or any other type of valuable collectible will be considered an ASSET.



## Participating Lenders

 The name of your **LOAN OFFICER** and the name of the mortgage company must be stated on the 2nd page of the **PRE-APPLICATION FORM**.

 Participating Lenders agree to comply with the Ocean County First Time Homebuyer Program Guidelines and offer equal services to our applicants to guide them through the lending process.

### ADVISORS MORTGAGE

**Kevin Kennedy** Office: 732-751-4482  
NMLS #224148 Cell: 732-597-4398  
KKennedy@advisorsmortgage.com

### M&T BANK

**Sarah Lapp** Cell: 732-644-3360  
NMLS#1972725 SLapp@mtb.com

### CALIBER HOME LOANS

**Susanne Saller** Office: (908) 963-6966  
NMLS #460242 Susanne.saller@caliberhomeloans.com

### OCEAN FIRST BANK

Office: 888-623-2633  
**Robert Wondolowski** Cell: (201) 988-9193  
NMLS #1374890 RWondolowski@oceanfirst.com  
**Ryan Tutzauer** Cell: 732-525-0290  
NMLS#1643409 RTutzauer@oceanfirst.com

### FAMILY FIRST FUNDING

**Donna Marshall** Cell: (732) 606-4156  
NMLS#223787 DMarshall@fam1fund.com

### SANTANDER BANK

**Janice Foy-Cribb** Office: 609-894-8410  
NMLS #704389 Cell: (609) 558-2871  
JFoy@santander.us

### INVESTOR SAVINGS BANK

**John Kaba** Cell: 732-757-1706  
NMLS #223097 JKaba@investorsbank.com

### UNION HOME MORTGAGE

**Eric Bornebusch** Phone: 732-581-4718  
NMLS #168981 EBornbusch@unionhomemortgage.com  
**Chris Padovani** Cell: 732-207-8700/  
NMLS #589204 CPadovani@unionhomemortgage.com  
**Gary Fish** Cell: 732-580-5667  
NMLS #297658 GFish@unionhomemortgage.com

**\* NOTE:** USDA AND NJHMFA LOAN PROGRAMS ARE ALLOWED IN THE FIRST TIME HOMEBUYER PROGRAM  
USDA: [www.rurdev.usda.gov/nj](http://www.rurdev.usda.gov/nj) | NJHMFA: [www.nj-hmfa.com](http://www.nj-hmfa.com)



## 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."

## 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.**



# The Fair Housing Act



**The Department of Housing and Urban Development (HUD) enforces the Fair Housing Act**, which prohibits discrimination and the intimidation of people in their homes, apartment buildings, and condominium developments – in nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.

 **The Fair Housing Act prohibits discrimination in housing on the basis of:**

**Race or color, National Origin, Religion, Sex, Familial status (including presence of children), Pregnancy, Disability**

 **In the Sale and Rental of Housing, no one may take any of the following actions:**

- Refuse to rent, sell, or negotiate for housing, or deny housing
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade, or try to persuade homeowners to sell or rent dwellings by suggesting that people of a particular race, etc. have moved, or are about to move into the neighborhood (blockbusting)
- Deny any person access to, membership or participation in, any organization, facility or service (such as a multiple listing service) related to the sale or rental of dwellings, or discriminate against any person in the terms or conditions of such access, membership or participation.



 **Mortgage Lending:**

No one may discriminate based on race, color, religion, sex, disability, familial status, or national origin, by refusing to make a mortgage loan, provide information, impose different terms on a loan, discriminate in appraising property, or discriminate in regards to homeowners insurance, etc.

 **What Housing is Covered?**

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

This information is from **“FAIR HOUSING Equal Opportunity for All,”** produced by the U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity.

More information is available on the HUD Fair Housing website, including more details, and additional protections for persons with disabilities, families with children, accessibility requirements for multi-family buildings, and the complaint process.

For more information: [www.HUD.gov/FairHousing](http://www.HUD.gov/FairHousing)

If you think your rights have been violated, contact HUD New York Regional Office:  
800-496-4294 | [Complaints-office\\_02@hud.gov](mailto:Complaints-office_02@hud.gov)

# Benefits of Home Ownership



You are about to embark on the exciting process of achieving the dream of owning your own home!

\* It is important to research and decide if homeownership is right for you.

Homeownership has many benefits over renting.

These include:

- Stable monthly payments
- Opportunity to build equity
- Cheaper than renting over time
- Owning a home provides tax advantages
- Freedom to make changes and customize your home
- Building a strong credit history
- Solid investment
- Pride of ownership
- Community involvement
- Improved stability
- Paying a low mortgage rate
- Hedging against inflation
- Privacy



## Ocean County HOME Program Consortium Members

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

The First Time Homebuyer Program  
is sponsored by the

## Ocean County Board of Commissioners

Gary Quinn, Director

Gerry P. Little, Deputy Director

Virginia E. Haines - John P. Kelly - Joseph H. Vicari

in partnership with Program Administrator

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