

# ***VILLAGE CROWN PROGRAM***

*A Joint Partnership Project of:  
Omaha Economic Development Corporation, Holy Name Housing Corporation,  
Family Housing Advisory Services, Empowerment Network, the Nebraska Department of Economic  
Development, U.S. Department of Housing and Urban Development, Wells Fargo*

The ***Village Crown Program*** allows families who are ready for homeownership to purchase an affordable home of their dreams. The Program will also give families who are preparing for homeownership an opportunity to lock-in an affordable house payment; improve and build a good credit record; and within a maximum 60-month lease period purchase the home. Our goal is to help you build a better life, in a home you will love to live in.

## ***WHAT CAN THE HOMEBUYER EXPECT?***

Through the ***Village Crown Program***, you can expect the right home for you. We are building better neighborhoods in North Omaha - brick by brick, block by block. And, we are working to improve the natural environment. These single family homes include:

- ★ **Three bedrooms and two bathrooms**
- ★ **1,400+ square feet of interior space**
- ★ **Open floor plan (living/dining room areas)**
- ★ **Spacious master bedroom**
- ★ **A geothermal heating/cooling system that are estimated to lower heating/cooling costs by up to 50%**
- ★ **High R-value insulation**
- ★ **High performance windows and doors**
- ★ **Tight construction to improve comfort and indoor air quality while lowering utility and maintenance costs**
- ★ **Energy Star Appliances**
- ★ **Post-construction HERS Rating**
- ★ **Fireplace**
- ★ **Attached garage with garage door opener**
- ★ **Pre-wired alarm system and cable/internet access**
- ★ **Low water usage landscaping**

These homes will be ready for ownership/occupancy mid-late Summer, 2011.

## ***HOW DOES THE VILLAGE CROWN PROGRAM WORK?***

The ***Village Crown Program*** allows families who are ready for homeownership to purchase an affordable home of their dreams. The Program will also give families who are preparing for homeownership an opportunity to lock-in an affordable house payment; improve and build a good credit record; and within a maximum 60-month lease period purchase the home. If you think you meet the eligibility requirements for the ***Village Crown Program***, you will need to

complete a Preliminary Application. The application form is available at: **Holy Name Housing Corporation, 2929 Fontennelle Boulevard, Omaha, Nebraska 68104.**

Pre-applications will be processed on a first-come, first-serve basis. All pre-applicants will receive a written notice of Program Pre-Qualification Acceptance or Program Rejection within ten (10) days of receipt of the preliminary application. If you prequalify for the ***Village Crown Program***, you will be invited to complete a full application.

## ***HOW DO I KNOW IF I AM ELIGIBLE TO SUBMIT A PRELIMINARY APPLICATION?***

To be eligible to submit a Preliminary Application, your annual gross income must be at or below 120% of the area median annual household income. The current income ranges for Douglas County are:

<u>Family Size</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>
1	\$29,580	\$39,400	\$49,300	\$59,160
2	\$33,780	\$45,000	\$56,300	\$67,560
3	\$37,980	\$50,650	\$63,300	\$75,960
4	\$42,180	\$56,250	\$70,300	\$84,360
5	\$45,600	\$60,750	\$76,000	\$91,200
6	\$48,960	\$65,250	\$81,600	\$97,920
7	\$52,320	\$69,750	\$87,200	\$104,640
8	\$55,680	\$74,250	\$92,800	\$111,360

## ***WHAT TYPE OF ASSISTANCE IS PROVIDED?***

Upon purchase of the newly constructed ***Village Crown*** home, the homebuyer will be eligible for a direct subsidy. The maximum amount of direct subsidy will be 25% of the purchase price with a maximum of \$37,500. Currently, the ***Village Crown*** homes were pre-appraised at \$136,000. A post-construction appraisal will determine the final cost of the home.

The direct subsidy will take the form of a 0% interest loan which is subject to recapture but declines according to the amount of direct subsidy provided and the affordability period. Table I below shows the amount of direct subsidy, affordability period and terms of forgiveness.

**TABLE I**

<u>Direct Subsidy</u>	<u>Affordability Period</u>	<u>Terms of Forgiveness</u>
<\$15,000	5 years	1/60 <sup>th</sup> monthly for 5 years
\$15,000 - \$37,500	10 years	1/120 <sup>th</sup> month for 10 years

A Deed of Trust in the amount of the Direct Subsidy will be applied to the property at the time of closing. A promissory note in the amount of the Direct Subsidy will be signed by the applicant. No interest will accrue on the direct subsidy loan.

## ***WHAT ARE THE NEXT STEPS IF I PRE-QUALIFY FOR THE VILLAGE CROWN PROGRAM?***

All Pre-Qualified Applicants will be asked to submit a Full Application. At the time of submission of the Full Application, applicants must be able to meet the following requirements to participate in the ***Village Crown Program***:

1. A steady and verifiable source of income
2. The financial capacity to meet the household's basic living expenses and/or pay the required rent
3. The ability to secure a first mortgage directly from a financial institution within a maximum of 60 months from the time of application
4. The willingness and ability to repay debts and collection accounts during the lease period, as applicable
5. A commitment to participate in homebuyer education and financial counseling
6. No open bankruptcies
7. The ability to make timely lease payments and maintain the home during the lease period, if applicable
8. A credit score that is acceptable to the lending agency
9. Escrow funds or a security deposit of \$500
10. If there are liquid assets available, the Applicant must be willing to use these funds, if necessary, to pay off outstanding debt or assist with the funding of the house. Applicant will be required to use a minimum of 50% of these funds to assist in the purchase of the home.

Applicants will be required to provide the following items as part of the Full Application review process:

- ✓ Fully completed application
- ✓ A credit report paid for by the applicant
- ✓ Applicant's legal capacity to enter into a Contract to Purchase Agreement
- ✓ History of compliance with past rental agreements
- ✓ Consent to a criminal background check. Applicants must not be engaged in or convicted of any illegal act including being a current user, manufacturer, or distributor of a controlled substance.
- ✓ Good landlord references.

All Full Applications will be processed and reviewed on a monthly basis by the ***Village Crown*** program oversight committee. If, upon review by the committee, it is determined that there is sufficient income and credit worthiness, the full application will be submitted to a financial institution for full underwriting requirements. Upon completion of the underwriting review, each

applicant will be advised, in writing, of approval (or non-approval) for participation in the *Village Crown Program*.

All eligible applicants must complete eight (8) hours of housing counseling from a HUD Approved Housing Counseling Agency prior to the close on the home purchase.

### ***WHAT HAPPENS IF I AM UNABLE TO SECURE PERMANENT FINANCING?***

Individuals/families not able to obtain permanent financing at the time of application will need to show an ability to secure a first mortgage within 60 months of the time of application. The *Village Crown Program* allows households to live in the home of their dreams, lock-in an affordable housing payment, improve and build a better credit record and after a maximum of 60 months, be able to assume the balance of the mortgage payment.

Potential homeowners who are not able to secure permanent financing can opt to participate in the Short-Term Lease-to-Own component of the *Village Crown Program*. These potential homeowners will be required to:

1. Enter into a *Village Crown* Lease Agreement;
2. Develop a Home Ownership Plan with the Holy Name Housing Corporation (HNHC) Counselor;
3. Meet quarterly with the HNHC Counselor to discuss progress toward goals identified in the Home Ownership Plan;
4. Attend two (2) workshops on homeownership; and
5. Sign a Maintenance Contract with HNHC.

### ***WHAT ARE MY NEXT STEPS?***

We are excited about the *Village Crown Program* and look forward to helping you achieve your dreams of homeownership.

**Complete the Preliminary Application and return it to:**

**Holy Name Housing Corporation  
Attn: Melodie Ryan  
3014 North 45<sup>th</sup> Street  
Omaha, NE 68104**