

Narragansett Indian Tribe
Department of Housing

1-401-364-1100 1-800-287-4225

Fax (401) 364-9181

2020

Dear Tribal Member

Enclosed you will find the Down Payment and Closing Costs Guidelines and Application. Please read the entire enclosed packet. Complete the entire application and sign where applicable.

Please return the application with the following supportive documentation to determine eligibility for the program:

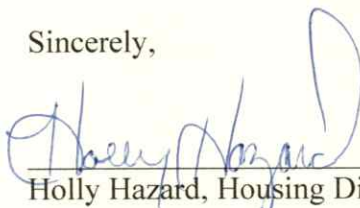
- Proof of NIT Enrollment.
- Income documentation for all household members 18 years of age and older who will be living with you. (Most recent IRS Form 1040, copy of SSI/SSA, Work Comp, or Last recent three (3) consecutive Pay Stubs. If you do not presently have a steady income, you must submit either Form 1040s from the last two years or submit a notarized statement attesting your average yearly gross income status.
- Authorization for Release of Information.
- Certified Document stating you have not received Down Payment and Closing Costs Assistance in the past from the Narragansett Indian Tribe's Housing Program.

Please Note:

- This assistance will be provided for first time homebuyers.
- The applicant will be required to complete an NIT approved homebuyer counseling class **prior to grant approval.** RI Housing (RIH) offers classes. Please contact RIH for further information at (401) 457-1280.

Assistance is based on availability of funds at time of service. If you have any questions, please feel free to contact the Department of Housing at (401) 364-1100 extension 209.

Sincerely,


Holly Hazard, Housing Director



NARRAGANSETT INDIAN TRIBE **DOWN PAYMENT & CLOSING COSTS ASSISTANCE** **PROGRAM POLICY**

Policy Statement

The purpose of the Narragansett Indian Tribe's Down Payment & Closing Costs Assistance Program is to provide the members of the NIT with affordable homeownership financing opportunities to help improve the quality of life in the tribal communities.

The NIT's Down Payment & Closing Costs Assistance Program shall comply with all applicable regulations of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) along with other applicable rules and regulations. The NIT Housing Director with the approval of the governing body shall be responsible for periodically amending this policy to comply with any applicable laws or regulations.

Program Description

The Down Payment & Closing Costs Assistance Program is specifically designed to increase the availability of affordable housing by addressing homeownership on several levels. It combines NIT Indian Housing Block Grant funds with private first mortgages, thereby multiplying many times over the number of tribal families that can be assisted with NIT's grant.

- **Eligibility** – The Down Payment & Closing Costs Assistance Program is available to low-income Indian families with gross incomes at or below 80% of the median income adjusted for family size. The current income limits shall be appendices to this policy.
- **Credit** – Down Payment & Closing Costs Assistance Program borrowers must meet the credit requirements of the first mortgage lender (bank/lender). Applicants will be pre-screened to determine credit worthiness. NIT will assist applicants in demonstrating that they have stable income and the ability and willingness to meet financial obligations.
- **Affordability** – Down payment & closing costs assistance funds are available to buy down the cost of owning a home. This results in a lower mortgage amount and lower monthly payments. NIT funds will be in the form of a second mortgage with no monthly payments. This second mortgage is gradually reduced, thus converting it to homeowner equity.
- **Cash Flow** – Down payment & closing costs assistance may include payment of reasonable loan closing costs associated with the first mortgage and NIT's second mortgage.
- **Support** – NIT Housing Dept. staff will assist eligible applicants in successfully working through the process of making an application to a bank/lender for a first mortgage loan.
- **Counseling** – Borrowers will be required to participate in homebuyers' classes designed to assist new homeowners in understanding and fulfilling the responsibilities of homeownership.

1. Assistance Available

The NIT has established and implemented the Down Payment & Closing Costs Assistance Program to assist

creditworthy low-income households in purchasing a home. The down payment & closing costs assistance loan may help with down payment and closing costs and is designed to make home mortgage payments more affordable. The following is a list of the assistance offered at this time:

a. Down payment

NIT may provide funds to buy down the amount of the first mortgage to a level that is affordable to the homeowner. Down payment & closing costs assistance is limited to \$10,000.

Nearly all lenders will require a down payment when purchasing a home. Part of this down payment may be provided by NIT; however, homebuyers may have to pay a portion from their own cash. The amount may depend on the requirements of the first mortgage lender.

b. Closing Costs

Funds are available from NIT to pay all, or a substantial part of, the closing costs of the first mortgage loan. This assistance is limited to actual, reasonable closing costs.

c. Maximum Loan Amount

The maximum amount of assistance for each homeowner will be \$10,000 including down payment and closing costs.

d. Minimum Loan Amount

The minimum loan amount for this program is \$1,000.00

2. Borrower Eligibility

a. Restricted to Tribal members

Assistance is only available to members of the NIT.

b. Income Limitations

Participation in the Down Payment & Closing Costs Assistance Program is limited to low-income families as defined in the NIT established income limits. Participants will be required to provide documentation to verify the determination of low-income status.

c. Homeownership Counseling Classes

The applicant must successfully complete an NIT approved home ownership-counseling curriculum. The NIT's Housing Director shall approve the curriculum.

d. First Mortgage Loan

1. The applicant must be able to obtain a mortgage loan with an eligible lender for the maximum affordable amount. The lending institution must be willing to participate in the Down Payment & Closing Costs Assistance Program and its requirements. The borrower will sign a Release of Information form so that NIT is able to share information with the lending institution.
2. The lending institution must, as a part of its mortgage loan, require purchase of property insurance, and must escrow the insurance payments.

e. Assets

The applicant shall not own any other residential property. An exception may be made for inherited property.

f. Employees

Employees, agents, officers or elected or appointed officials of NIT are eligible for loans under this program. The NIT's Housing Director must approve all such loan applications. Employees, agents, officers or elected or appointed officials must comply with 24CFR 1000.30, 1000.32, and 1000.34 regarding conflict of interest.

3. Ineligibility

- a. Applicants will be considered ineligible for not meeting items in Section 2 above or for any of one or more of the following:

- Providing false information on the application.
- Failing to complete required forms or to supply requested information.
- Committing fraud in connection with any NIT program, or failing to disclose previously committed fraud in connection with any NIT program.
- Appearing on the Federal government's Excluded Parties List System (EPLS).
- Having a record of eviction from any government assisted housing program.
- Having an outstanding debt owed to any public or Indian housing authority or tribally designated housing entity.

4. Waiting List/ Applicant Pool

- a. The Down Payment & Closing Costs Assistance Program is operated on a first-come first-served basis subject to the availability of funds.
- b. NIT will maintain a list of eligible applicants based on the date and time the completed application is received by NIT.
- c. If funds are unavailable for the Down Payment & Closing Costs Assistance Program, NIT may suspend or discontinue accepting applications until funds become available.

5. Reservation of Funds

- a. Funds will be reserved for each applicant when the loan application is complete, including a copy of the Earnest Money Agreement and all information required by the first mortgage lender.
- b. Funds will be reserved for 60 days and may be extended for 30 days at a time.

6. Property Requirements

- a. The owner must meet the following property requirements during the life of the loan:
 1. The home must be the primary residence of the owner.
 2. The property must be located within NIT's Indian area as defined in its IHP.
 3. The property must be a single-family residence, including condominiums and townhouses. Manufactured homes and/or mobile homes do not qualify for the program.
 4. The initial purchase price of the home may not exceed the Total Development Cost limits established by the NIT for the type of single family housing for the area. The NIT may use HUD established Total Development Cost limits which are attached as appendices to this policy.
 5. The house must pass all Housing Quality Standards as established by the NIT, if applicable.
 6. The property must be reviewed by NIT for environmental impact in accordance with the National Environmental Policy Act (NEPA) and all other applicable statutes, regulations and Executive Orders.
 7. Lead based paint prevention requirements apply to housing acquired under this program. The NIT shall require the seller to certify that there is no lead based paint in the home.
 8. If the owner selects a home in a flood plain, flood insurance must be obtained in an amount adequate to cover the first and second mortgage loan in compliance with 24CFR 1000.38. The owner must provide a certification of insurance to NIT annually.

9. The owner shall be responsible for any insurance coverage required by the NIT or the lending institution.

7. Repayment of the Loan

- a. There are no monthly payments or interest associated with NIT's Down Payment & Closing Costs Assistance Program loans.
- b. Ten percent of the original down payment & closing costs assistance loan amount will be forgiven on each annual or monthly anniversary of the loan. If the property is sold (or the title is otherwise transferred) and ceases to be the borrower's primary residence, the unforgiven portion of the loan will be due and payable.

8. Certification of Residency

- a. The property must remain the borrowers' primary residence throughout the term of this loan. Borrowers will be required to sign an annual affidavit stating the amount of time they lived in the house as their primary residence during the previous year. If they did not live in the house for at least 11 of the previous 12 months, the loan will be considered to be in default, NIT's Housing Director will review each default and consider the appropriate course of action.

9. Resale Restriction

- a. Documents for the Down Payment & Closing Costs Assistance Program shall include resale restrictions and an option to purchase granted to NIT.
- b. If, at any time, the owner sells or transfers title to the home, the owner must repay the NIT any balance due.

10. Assumption of Loan

- a. If the property is sold during the term of NIT's loan, the NIT loan may be assumed by a qualified borrower. Generally, the assumption approval will be based on the following:
 - 1. The new owners must assume the first mortgage and be contractually obligated to satisfy the mortgage.
 - 2. The new owners must be low income, as defined by the NIT. The definition of low-income shall be the same as defined in the NIT Eligibility, Admissions & Occupancy Policy.
 - 3. The property must be the new owner's primary residence.
 - 4. The new owners must be members of the NIT.

11. Transfer of Home

- a. If the homebuyer no longer desires to own the property and intends to sell or otherwise transfer title, the homebuyer must notify NIT of their intent in writing. Upon receipt of the notice, NIT shall then have the right to exercise its Purchase Option by delivery of notice to the homebuyer of such exercise at any time within thirty (30) days from its receipt of such written notice from the homebuyer of interest to sell or otherwise transfer the residence.
- b. If the NIT exercises its Option to Purchase the property, closing shall be through an escrow with the title insurance company issuing the owners title insurance policy. The closing shall be within sixty (60) days of the opening of escrow. In the event the NIT decides to assign the Purchase Option, the opening of the escrow will be within thirty (30) business days after the homebuyer is notified of NIT's intent to exercise the Purchase Option. In the event NIT postpones opening of escrow and is unable to select an assignee, NIT retains the right to open escrow and complete the purchase provided the escrow is opened within thirty (30) business days and the sales transaction is completed within ninety (90) days from the homebuyer's notice of intent to sell.
- c. Up to ten (10) days before close of escrow, the homebuyer may give notice to NIT of the homebuyer's intent to terminate the escrow. NIT shall retain the right by notice to the homebuyer to complete the purchase of the property for an additional period of ten (10) days commencing from the date of the receipt

of notice the homebuyer's intent to terminate the escrow.

- d. In the event the NIT does not exercise its Purchase Option within thirty (30) business days of the homebuyer's notice pursuant to the Resale Restriction and Purchase Option, the homebuyer may offer the residence to anyone.
- e. Any attempt by the homebuyer to make a prohibited transfer of title or interest in the property in violation of the Down Payment & Closing Costs Assistance Program documents, the transfer will be void and subject to exercise of the purchase option described in Section VI of that document.
- f. Permitted Transfer by Owner

The following transfers are not prohibited and therefore are not subject to exercise by the Optionee of the Purchase Option:

- 1. Transfer by gift or inheritance to the homebuyer's spouse or children;
- 2. Transfer of title by a homebuyer's death to a surviving joint tenant, tenant by entireties, or surviving spouse of community property;
- 3. Transfer of title to a spouse as part of divorce or dissolution proceedings;
- 4. Granting of leasehold interest or rental of the residence for a period of less than a year; or
- 5. Transfer of title or interest in the residence to the spouse in conjunction with marriage.
- 6. The above transfers are allowable if the Second Mortgage Document covenants continue to run with the title to the property following said transfers, and any transfer documents must contain the following covenant:

This residence is subject to the Resale Restrictions Agreement and Option to Purchase and Transferee, on behalf of Transferee and Transferee's successors and assigns, covenants and agrees to be bound by and perform the Agreement, and to include in any further transfer of the residence the covenant required by the Agreement.

- 7. The homebuyer must notify NIT at least thirty (30) business days prior to the sale or transfer of the property. NIT will approve or disapprove of the proposed Transferee within thirty (30) business days after receiving the notification.

12. Counseling

- a. All applicants will be required to attend an NIT approved homebuyer counseling class prior to loan approval. The purpose of this requirement is:
 - 1. To enable the applicant to understand the responsibilities that accompany participation in NIT's Down Payment & Closing Costs Assistance Program.
 - 2. To enable the applicant to understand the home buying process,
 - 3. To enable the applicant to understand and prepare to assume homeownership responsibilities and tasks,
 - 4. To develop an understanding of the Down Payment & Closing Costs Assistance Program with a goal of promoting feelings of self-respect, pride and community responsibility.
- b. If available, applicants may elect to attend Post-Occupancy counseling. The cost of this counseling may be included in closing costs paid by NIT if the homeowner makes arrangements before the loan closing. Post-Occupancy counseling may include the following:
 - 1. Budget Counseling
 - 2. Home Maintenance
 - 3. Refresher review of NIT's Down Payment & Closing Costs Assistance Program requirements.
- c. Any counseling required by the lender of the NIT shall be at no cost to the homebuyer.

13. Payment Oversight

- a. NIT shall work with the homebuyer to ensure the success of their home ownership. If, for any reason, the first mortgage loan becomes delinquent, the lender will contact NIT. Upon receipt of any delinquent notices, NIT staff may contact the homebuyer to assist in resolving the problem. This intervention does not, in any way, diminish the homeowner's responsibilities to the first mortgage lender.
- b. If a homebuyer is found to be in default of any portion of the first mortgage documents, NIT may provide or refer the home buyer to financial counseling in an effort to resolve the problem, and may:
 - 1. Arrange a meeting with the home buyer to discuss the default;
 - 2. Work with the home buyer to develop a specific plan of action to correct the default;
 - 3. Monitor the homebuyer's plan of action until the default is corrected.

14. Appeals Process

- a. Individuals or families who have applied for the Down Payment & Closing Costs Assistance Program and who, for any reason, have been determined to be ineligible will be notified by NIT in writing. The notification shall state the reasons for ineligibility. All information relative to the rejection of the applicant shall be documented and placed in the applicant's file.
- b. An applicant who has been determined ineligible for the Down Payment & Closing Costs Assistance Program may request a second determination within 30 days of the date on the written notification. The applicant may resubmit eligibility documentation at the time of the second determination. A written notification of selection or denial will be provided based on the information submitted by the applicant. Other recourses for appealing a NIT decision may also be available and will be described in each letter of denial sent to the applicant.

15. Appendix

- 1. Income Limits
- 2. Total Development Costs

**NARRANSETT IDIAN TRIBE
Down Payment & Closing Costs Assistance Application**

- All questions in this application must be answered. The requested information is self-explanatory.
- This application is subject to the Privacy Act of 1974, Pub. L. 93-579

A. APPLICATION INFORMATION

DATE OF APPLICATION: _____

1. Name:				
	(Last)	(First)	(MI)	(Maiden Name, if any)
2. Current Address:				
	(Street Address)			(P.O. Box #, if any)
	(City)		(State)	(Zip Code)
3. Telephone Number:	()			
4. Date of Birth:	Social Security #:			
5. Tribe/Native Village:			6. Roll Number:	
6. Marital Status:				
	(Married)	(Single)	(Widowed)	(Other)
If you checked "Other", please explain.				

Information about Spouse

7. Name:				
	(Last)	(First)	(MI)	(Maiden Name, if any)
8. Date of Birth				
9. Tribe:			11. Roll Number:	

B: FAMILY INFORMATION:

List all other persons living in household on a permanent basis. Start with the oldest and provide Name, Date of Birth, Social Security Number, and Relationship to Applicant, and Tribe/Roll Number (if applicable). (Please use separate sheet if needed).

NAME:	D.O.B.	S.S. #	RELATIONSHIP	Roll #:

If you need more space, please use a blank sheet of paper.

C. INCOME INFORMATION

10. Earned Income: Start with applicant, then list all permanent family members, who are 18yrs of age and older, including all who are listed under Parts A and B and have earned income. Provide signed copy of SF-1040 (income tax return), W-2 forms, wage stubs, etc. for verification.

NAME	ANNUAL EARNED INCOME	SOURCE OF INCOME

Total annual earned income: \$ _____

11. Unearned Income: Start with applicant, then list all permanent family members, who are 18yrs of age and older, including all who are listed under Parts A and B and have earned income such as social security, retirement, disability and unemployment benefits, child support and alimony, royalties, per capita payments, interest, etc. Provide check stubs, statements, individual Indian Money (IIM) ledgers, etc. for verification.

NAME	ANNUAL UNEARNED INCOME	SOURCE OF INCOME

Total annual unearned income: \$ _____

12. TOTAL COMBINED ANNUAL HOUSEHOLD INCOME (earned + unearned): \$ _____

F. GENERAL INFORMATION

13.	Do you own any residential property? Yes _____ No _____ If yes was the property inherited? _____
14.	Have you ever been eviction from any government assisted housing program. Yes _____ No _____
15.	Do you have an outstanding debt owed to any public or Indian housing authority or tribally designated housing entity? Yes _____ No _____

G. POTENTIAL APPEARANCE OF CONFLICT OF INTEREST

- A. Are you and or anyone in the household immediately related (i.e. mother, father, brother, sister, child) to anyone on the Narragansett Indian Tribe Council and or Housing staff? Yes / No. If yes, who and what is the relation and identify if it is Tribal Council and or Housing Staff

- B. Are you a member of, or received services from another organization that acted in any manner or conducted affairs in the name of or behalf of the Narragansett Indian Tribe? YES / NO. If yes, name of organization/help received.

H. APPLICATION CERTIFICATION

Read this certification carefully before you sign and date. Sign in ink.
I certify that all the answers given are true, complete and correct to the best of my knowledge and belief, and that they are made in good faith. This certification is made with the knowledge that the information will be used to determine eligibility to receive financial assistance, and that false or misleading statements may constitute a violation of 18 USC 1001.

Signature

Date

Spouse's Signature

Date



**Narragansett Indian Tribe
 Housing Department
 4375B South County Trail
 PO Box 268
 Charlestown, RI 02813
 (401) 364-1100 Ext. 209
 Fax: (401) 364-9181**

APPENDIX 1

INCOME REQUIREMENTS

Income Limits under the Native American Housing Assistance and Self-Determination Act of 1996.
 Purpose: This guidance updates N.A.H.A.S.D.A. Guidelines as of 2018-03 (State of RI)

1	2	3	4	5	6	7	8
50300	57450	64650	71850	77600	83350	89100	94850

If a family has more than eight members, \$5,700 is added for each additional person.

APPENDIX 2

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Notice: PIH-2016-07

Total Development Costs - Revised

ONAP OFFICE	STATE	TRIBAL AREA	1BDRM	2BDRM	3BDRM	4BDRM	5BDRM
Eastern/Woodlands	RI	Narragansett	\$331,030	\$372,855	\$431,915	\$474,803	\$519,368



Housing Department
PO Box 268
Charlestown, RI 02813
Phone: (401) 364-1100 Ext. 209
Fax: (401) 364-9181

AUTHORIZATION TO RELEASE INFORMATION

I, _____, hereby authorize the Narragansett Indian Tribe's Housing Department to inquire and or exchange information with any agency pertinent to the processing procedure of an application for assistance through the Housing Department.

The Housing Department will hold any information obtained or released by this document strictly confidential. This information will only be used in the application process for services from this department.

Signature

Date

Housing Director/Authorized Staff

Date