

CLIENT CHECKLIST

- 1) **DOWN PAYMENT:** You must put down from your own funds **1% of the purchase price** with the Offer to Purchase (binder) which is drawn up by your realtor.
- 2) **RESERVES:** You must have at least **two mortgage payments** saved in addition to the 1% binder that is required. For a multi-family property, you must have at least **four mortgage payments** in reserves. This reserve fund could be partially used for unexpected closing costs that are not covered by HDF's programs.
- 3) **HOME INSPECTION:** HDF requires a private building inspection on new and existing constructions. Applicant is responsible for the Inspection fees. Fees are usually \$300-\$700 (depending if client also requests a Radon and Termite Inspection). Radon test required for Statewide Downpayment Assistance. **Inspector must be Licensed and Certified in the state of CT.**
- 4) **APPRAISAL:** Buyers are usually required by the lender to pay for the appraisal at the time they apply for the mortgage. The cost is approximately **\$450**.
- 5) **HOMEOWNER'S INSURANCE:** A Homeowner's Insurance policy on the property is required at closing. You may also be required to obtain flood insurance coverage if the property is located in a flooding zone. Applicants are required to pay one year up front. **HDF must be listed as Co-Insured on the Insurance Policy.** Mortgagee Clause: Housing Development Fund ISAOA ATIMA , 100 Prospect St -Suite #100 Stamford, CT 06901
- 6) **CLOSING COSTS:** Are usually 4% to 7% of the mortgage amount. Within 3 days of completing the mortgage application with the lender, you should receive a Loan Estimate (LE) which will show the terms of the loan and estimated closing costs. Lender may charge 1 or 2 points which will be shown on the LE. A point is a percent of the loan amount. Clients are required to pay for their own closing costs unless HBA funds are available.
- 7) **HDF FEES:** You will obtain affidavits from your counselor indicating the fees for the different HDF loans. These fees are due at the time of the closing:
Smart Move Fee: \$750, \$1500, \$2,000 or \$2,500 (Depending on the loan amount)
HBA Loan/Live where you Work Program: \$750 City of Stamford Funds: \$2,000

If you are applying for HDF closing cost assistance and the closing cost exceeds the amount of the loan, then the applicant will need enough in savings to cover the difference. Please note that HBA loans are currently not available.

- 8) **SPEND DOWN REQUIREMENT:** To qualify for an HBA/Work Where you Live loan, borrowers must spend all but **\$25,000** of their own savings toward the purchase of their home and/or to reduce debt, and for Smart Move, must spend all but **\$25,000**

DOCUMENTS REQUIRED BY HDF FOR HOMEBUYER'S ASSISTANCE LOAN(S)

Submit copies of the documents mentioned below, in one complete package:

HDF's Forms (In Red Folder):

- Completed HDF Loan Application
- Verification of Rent form AND past 12 cancelled checks
- VOE Form (Verification of Employment)
- Signed forms for City of Stamford Funds (If applying for this program)
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Your REALTOR will give you the following documents:

- Signed Binder (Offer to Purchase)
- Copy of Real Estate MLS Listing for the property being purchased

The BANK will give you the following documents:

- Signed** copy of the **computer generated** Mortgage Application – **1003 PLEASE APPLY TO BANK IN SAME NAME ORDER YOU APPLIED ORIGINALLY WITH HDF!**
- Loan Estimate (Estimate of the closing costs)
- Appraisal & Commitment Letter (submit these documents prior to Closing)

The INSPECTOR will give you the following document:

- Building Inspection report and paid receipt
- Estimate required for safety and hazard issues identified in the inspection report safety, if requested

Your ATTORNEY will give you the following document:

- Fully Executed Sales Contract (signed by the buyer and the seller)

Additional Documents you need to submit:

- Two most recent pay stubs for each employed member of household
- Three months of most recent statements (Savings, Checking, IRA, 401K, CD, Stocks)
- CURRENT** balance on saving and checking accounts as of submission date
- Signed** copies of 3 most recent Income Tax Returns with W2
- Certificate of Completion-8 Hour Pre-Purchase Education**

If applicable, submit the following:

- U.S. Birth certificate, U.S. passport, or green card if applying for Stamford or Norwalk City Funding, or Statewide Downpayment Assistance.
- Non-traditional source of credit (e.g., letters from utility companies)
- Explanation letters for credit issues, bankruptcy or frequent job change
- Copy of Bankruptcy documents
- Copy of Landlord Training Certificate (If purchasing a 2-4 family house)
- Gift letter

Additional Docs required for Condo/Townhouse/PUD purchase if not approved by 1st lender, or not on FHA approved list (look up the property) <https://entp.hud.gov/idapp/html/condlook.cfm> if your unit is on list you do not need to provide documents listed below.

- Condo project questionnaire
- Resale Certificate
- Budget for **BOTH** the current year to date and the most recent full year (if no line item for replacement reserves, a statement from Management Company detailing the reserves must be provided)
- Income statement for **BOTH** the current year to date and the most recent full year
- Balance sheet (AKA Statement of Assets & Liabilities) for **BOTH** the current year to date and most recent full year
- Condo by-laws
- Actual insurance certificate (ACCORD), **to include** fidelity insurance (AKA Officers & Directors coverage) if complex has more than 20 units, and flood insurance if complex is in zones A or V

IT CAN TAKE UP TO 30 DAYS (From the date you submit all documents) FOR OUR LOAN COMMITTEE TO REVIEW YOUR FILE.