



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 Connects 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). **The Inspector must be Licensed and Certified in the state of New York**
- 4) **APPRAISAL:** Buyers are usually required by the lender to pay for the appraisal at the time they apply for the mortgage.
- 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 flood 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 business 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 3.75% origination fee (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 an affidavit from your counselor indicating the origination fees for the SmartMove NY Loan Program. These origination fees are due at the time of the closing:
- 8) **SPEND DOWN REQUIREMENT:** To qualify for a SmartMove NY loan, borrowers must spend down all but **\$25,000** of their liquid assets (**household savings excluding retirement accounts 401(k) and IRA accounts**).

DOCUMENTS REQUIRED BY HDF SMARTMOVE NY

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

HDF's Forms

- Completed HDF Loan Application
- Verification of Rent form or past 12 cancelled checks
- VOE Form (Verification of employment) which will be signed by the borrower and mailed by HDF

Your REALTOR will give you the following documents:

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



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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

Estimate required for safety and hazard issues identified in the inspection report safety

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

Homebuyer Education certificate

If applicable, submit the following:

U.S Birth certificate, U.S passport, or green card if applying for Stamford or Norwalk City Funding

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 Documents required for Condo/Townhouse/Co-op purchase if not FHA approved (look up the property you are buying) <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.



SmartMove NY Attorney Guidelines For Homebuyer

You will need to retain an attorney. You will want to choose an attorney that specializes in real estate. The fees charged can vary from one attorney to another so consider this as you make your choice. Your attorney can provide you with assistance on both the first mortgage loan and the second SmartMove Down Payment Assistance Loan. Your first mortgage lender may be able to provide you with a referral list of attorneys. **Note: The SmartMove loan will be closed by the Bank's (first mortgage lender) attorney. You will pay the attorney fees for closing this loan.**

The following are the responsibilities of the attorney:

- Reviews purchase agreements/contracts; helps you read through and understand the provisions of the sales agreement, including how and when you will take title of the property. Reviews all aspects of the sales agreement;
- Prepares all of the necessary legal documentation on required;
- Prepares title documents and ensures clear title. This means that there are no outstanding liens against the property or restrictions on the property that will impact your expected use;
- Arranges title insurance protection to cover you from financial losses if there should be defects in the title of your property;
- Processes legal paperwork required by your mortgage lender. Reviews the terms of your mortgage and confirms that final rates and fees match those that were quoted and are reasonable and fair;
- Schedules closing; reviews with you all the papers you will be required to sign; provides you a copy of the HUD-1 and attends the closing;
- After the closing your attorney makes sure that no new liens have been recorded since the date of the title search; records the deed and mortgage; pays the conveyance taxes on behalf of the seller; provides you and lenders with all signed documents.