

**CITY OF OSKALOOSA HOUSING TRUST FUND
FIRST-TIME HOME BUYER FORGIVABLE GRANT FUND PLAN
FISCAL YEAR 2019-2020**

A. GENERAL PURPOSE OF THE FUND

The Oskaloosa Housing Trust Fund (OHTF) will utilize its City of Oskaloosa First-time Home Buyer FORGIVABLE Grant Fund in an effort to promote home ownership within the City of Oskaloosa. To accomplish this goal of increasing home ownership, the OHTF shall continue the successful down payment and closing cost assistance program. The assistance shall be in the form of forgivable grants.

B. ELIGIBLE ACTIVITIES

Eligible costs included within approved loans shall consist only of the following:

1. Down payment on the purchase of the home; and
2. Payment of closing costs and prepaid costs on a first mortgage loan.

C. ELIGIBLE PROPERTY

An eligible property shall be any single-family residence located within the corporate limits of the City of Oskaloosa, Iowa. Homes purchased can be either newly constructed or existing housing (including manufactured and modular housing, although purchase of manufactured housing constructed prior to 1974 will not be permitted).

D. ELIGIBLE PARTICIPANT

An eligible participant shall be an applicant who:

1. Has not had interest in a residential property within the City of Oskaloosa corporate limits (ownership of a property for the purpose of (re)development shall not be considered ownership of a residential property) in one of the following ways within the past three (3) years prior to making application:
 - a. Fee title ownership;
 - b. Fee title ownership subject to mortgage; or
 - c. A party to a contract for purchase of residential real estate.
 - d. A party to a divorce proceeding who utilized these funds will be eligible if the previously owned property was sold or deeded to the spouse in the settlement agreement.

And;

2. Has a total household income not exceeding the Homes for Iowans Plus Program Household Income Limit as defined and established by the Iowa Finance Authority (IFA).

And;

3. Is in good standing with the City of Oskaloosa Housing Trust Fund by not having any outstanding balance(s) from previous OHTF program use whether or not the debt was due to foreclosure or any other action.

And;

4. Is not utilizing any other financial assistance program for the home purchase or mortgage loan.

E. TYPE AND AMOUNT OF ASSISTANCE

1. Funds shall be distributed in the form of non-transferable, forgivable grants with 5-year lien agreement placed on homes approved under this program. Repayment of a grant is not expected if the home remains under ownership of the participant for a period of five (5) years or more after the closing date. If the home is sold within this five-year period, funds shall be prorated and repaid as follows:
 - a. If the home is sold on or before 1 month of closing, the grant funds shall be repaid in full.
 - b. If the home is sold after 1 month of closing and on or before 60 months of closing, any remaining grant funds shall be prorated over 60 months and repaid for any remaining months from closing to the end of the 60-month period.
 - c. If the home is sold after 60 months from closing, no repayment is expected.
2. Grants will not be made for more than 5% of the purchase price of the home. An approved grant shall not exceed \$2500.
3. Borrowers qualifying for other down payment assistance programs are expected to utilize those programs and resort to this program as a last resort.
4. Participants shall be required to pay a processing fee as approved by the Oskaloosa City Council on the fee schedule. All fees shall be due and payable at loan closing.

F. CAPITALIZATION AND OPERATION OF THE GRANT FUND

The first time home buyer grant program fund is one of several programs capitalized through the Iowa Finance Authority's State Housing Fund Grant, fundraising dollars and recaptured loan repayments. A maximum ten (10) grants will be awarded per fiscal year, as determined by approval of applications in the order in which

they were complete and received. Assistance will be paid from OHTF Fund 138 (Housing Donated Funds), until the fund balance is depleted. OHTF Fund 140 (Housing Fund), will be utilized thereafter to distribute funds

G. HOME BUYER EDUCATION

Attendance and participation in a qualified first-time home buyer education course will be required prior to loan closing for all borrowers that fit the definition of a first-time buyer as defined in paragraph D.1., above. Applicants can participate in qualified homebuyer education courses that may be available through Oskaloosa area lenders or other sources offering this education as approved by the OHTF staff.

H. GRANT APPLICATION PROCESS

Applications will be provided to the OHTF on the application form provided to participating lenders. A copy of the participant's first mortgage loan application, loan estimate, and income documents must be provided to the OHTF as documentation of eligibility. The OHTF reserves the right to inspect and copy documentation to verify eligibility. Information obtained through the application will be kept confidential and will not be available for public review. The Department Head, OHTF Chair, OHTF Vice-Chair and City Manager shall be authorized to approve all eligible applicants. Upon approval of the application by two of the four persons authorized to approve applicants, the Department Head and Program Manager (the OHTF Chair, Vice-Chair or City Manager may approve payment in the absence of either the Department Head or Program Manager) shall be authorized to approve payment for the OHTF for all eligible applicants.

I. MONITORING OF PROGRAM

The OHTF committee would be charged with review of the program usage, suggesting modifications to the City Council and development of other programs to address other identified housing needs within the community.

L. ADMINISTRATION OF THE FUND

The city staff will administer the grant program fund. Idle funds shall be invested, to the maximum extent possible, in interest bearing accounts. The City of Oskaloosa shall be allowed to utilize interest from invested funds to help cover incurred costs for administering the program.

M. AMENDMENTS TO AND REVIEW OF THE PLAN

This grant program fund plan may be amended, from time-to-time, as deemed necessary and appropriate upon recommendation by the OHTF, and by a majority vote of the Oskaloosa City Council.

N. OTHER REQUIREMENTS

In addition to the above requirements for participation in the program, the following shall apply:

1. Lenders participating in this program shall assure the City that they shall abide by all Fair Housing laws, as they may apply.
2. No employee, agent, consultant, officer or appointed official of the City of Oskaloosa shall be eligible to participate in this program without prior approval of the Oskaloosa Housing Trust Fund Committee.

O. WAIVER OF PROGRAM REQUIREMENTS

Nothing contained within this Loan Fund prevents the OHTF Committee from waiving any adopted program rules and regulations, provided, however, that the waiver does not violate any applicable laws.

P. PROGRAM PERIOD AND ELIGIBILITY

This program shall be available from July 1, 2019 through June 30, 2020. At the end of this period the OHTF Committee shall perform an audit of the program and recommend modifications, continuance, and/or discontinuation of the program to the City Council.