

**Confederated Tribes of Siletz Indians**  
**Down Payment Assistance Program**  
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**How the Program Works**

The purpose of this program is to provide expanded home ownership opportunities for Tribal Members of the Confederated Tribes of Siletz Indians (CTSI) by providing down payment assistance to below median income households and leveraging other private funding. This program is available nationwide. CTSI is a direct recipient of Indian Housing Block Grant (IHBG) funds from the Federal Government through Housing and Urban Development or HUD. IHBG is governed by the rules and regulations set forth at 24 CFR Part 1000.

The Confederated Tribes of Siletz Indians is now offering forgivable grants of \$15,000, to assist with down payment and closing costs for the purchase of a home. The full amount of the conditional grant will be forgiven after five years from the date on the Agreement, if the beneficiary complies with the following:

- a) maintains the home as their principal residence , and;
- b) remains in compliance with all funding sources which have a lien on the property, and;
- c) maintains replacement value hazard and/or flood insurance , and;
- d) pays all required real property taxes.

If all terms are met, the CTSI conditional grant will be fully forgiven at the end of the five year term from the date of the Agreement. During the five year period, it will be forgiven on pro-rated basis of one fifth (1/5) per year, with amounts pro-rated on a monthly basis for partial year. Funds are limited and applications are accepted on a “first-come, first-served” basis.

DPA may be combined with any type of primary loan product that has a fixed rate of interest with an amortization period of no more than 40 years.

There are three main requirement categories of eligibility under the Down Payment Assistance Program (DPA). The three categories are:

- 1) the household or applicant must qualify;
- 2) the home to be purchased must qualify; and
- 3) the applicant must have the financial ability to afford the proposed home.

**Applicant Eligibility Requirements**

- ✓ Applicant or co-applicant must be an enrolled member of the Confederated Tribes of Siletz Indians and must be living in the home.
- ✓ Applicants must be at least 18 years old and of an age that would allow them to lawfully enter into a legal binding contract for the area they are buying in.
- ✓ Applicants must be a first time homebuyer or not owned a home within the previous three years. Exceptions to the first time homebuyer requirement are;

- Applicants who are recently divorced or legally separated, who owned a home jointly and have relinquished all ownership rights to the home
  - An applicant who has to relocate, over a 50 mile or 45 min commuting distance, for employment, education or a substantial increase in family size which causes the family to need additional bedrooms, or for health reasons.
- ✓ Total gross household income must be at or below 80% of area median income as adjusted by household size. A limited number of applicants will be served who are between 80% and 100% of area median income. If household income is between 80-100% of the area median (per HUD annual income guidelines), the Over 80% of Median Income Subsidy Calculation will be used to determine the subsidy amount. Income is determined using the Section 8 definition for determining income (24 CFR part 5, subpart F). Income may be calculated differently for the DPA than other funding sources.

**Over 80% Median Income Subsidy Calculation**

80% of area median top range by size of household	\$ _____ (A)
Actual income household earns	\$ _____ (B)
A divided by B = subsidy rate	% _____ (C) must be < 100%
C times \$15,000 equals <b>amount of subsidy</b>	\$ _____

- ✓ Applicants must be able to obtain approval from a primary lending institution for the purchase of the home and provide a pre-approval as evidence.
- ✓ Applicants must not have any past due unpaid debts owed to CTSI

**Property Eligibility Requirements**

- ✓ Eligible properties must be located within the United States.
- ✓ Homes may be single family detached or attached.
- ✓ Manufactured homes qualify which are;
  - Built after 1976
  - De-titled
  - On an approved permanent foundation –must have inspection
  - Include the land upon which it is located on and not located in a park
- ✓ The home may either be new or existing construction. If DPA funds are used for new construction, the buyer must have a permanent funding commitment that meets the primary loan requirements of the DPA Program.
- ✓ Subject homes may not be being used as a rental at the time buyer and seller sign an earnest money agreement, unless the buyer was previously renting the subject home. Seller must agree to sign a DPA Uniform Relocation Act Addendum to the sales agreement concerning this requirement.
- ✓ Properties must have a sales price and appraised value which do not exceed current Total Development Costs (TDC), adjusted by number of bedrooms as defined by HUD’s 24 CFR part 1000.156
- ✓ The home must be in decent, safe and sanitary condition. Any primary lender required repairs must be completed prior to funding. DPA funds cannot be used to pay for alterations or repairs to the home.
- ✓ A pest and dry rot inspection report must be done and any findings on the report must be corrected. Inspections are waived on new construction. Any repairs to the home must be completed prior to funding.

- ✓ All properties require a certified appraisal, regardless of the type of primary funding used. All conditions of the appraisal must be met, including special inspections, repairs and lead hazards requirements.
- ✓ Seller must complete and sign a Lead Based Paint and Hazards disclosure prior to closing. The sales contract must include the notification and disclosure language to comply with 24 CFR part 35 regarding lead hazards. The buyers must be given a 10-day period to obtain a lead-based paint inspection or a risk assessment from a certified risk assessor at their own expense. Buyers are encouraged to educate themselves regarding the hazards of lead-based paint and the requirements of notification and disclosure of lead –based paint. Information is available at the following websites;  
<http://www.hud.gov/offices/lead/disclosure/index.cfm>  
<http://www.hud.gov/offices/lead/1018/fs-discl.pdf>  
<http://www.dhs.state.or.us/publichealth/leadpaint/index.cfm>
- ✓ If the home's age exceed 50 years and lender required repairs are involved, the project must meet the approval of any local historical preservation programs
- ✓ The home must comply with any local zoning or building codes
- ✓ The home must comply with the National Flood Disaster Protection Act and the National Environmental Policy Act.

#### **Requirements Regarding the Applicant's Ability to Afford the Home**

- ✓ The principal, interest, taxes, insurance and mortgage insurance can not exceed 30% of the applicant's household income. This percentage is calculated by taking the monthly mortgage payment (principal, interest, taxes, property insurance and mortgage insurance) and dividing it by the household gross monthly income. CTSI uses HUD's Section 8 definition to determine income of the household. This may differ from the primary lender's determination of income.
- ✓ Completion of a homebuyer education program is mandatory. Applicants must attend the ABC's of Homebuying. If the ABC's of Homebuying is not available due to location of classes being offered or a conflict of time with closing, other educational programs may be substituted once approved by the Housing Finance Manager.