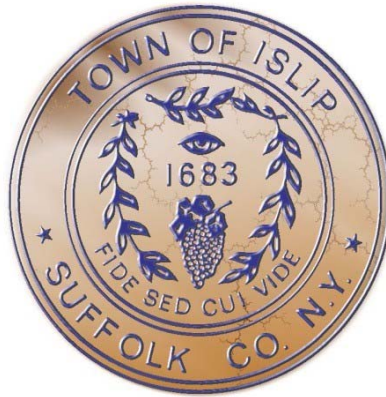


**Town of Islip
Community Development Agency**

**Brochure and Application
Affordable Housing Program**



**Islip Town Supervisor:
Angie Carpenter**

Town Clerk
Linda D. Varnicka

Islip Town
John M. Lorenzo James P. O'Connor
Michael J. McElwee, Jorge Guadron

Receiver of Taxes
Andy Wittman

CDA Board of Directors:
Debra Cavanagh, Chairperson
Jarett Gandolfo Manuel Troche
Timothy Morris Maria Vidal

15 Shore Lane, P.O. Box 5587, Bay Shore, New York, 11706

Phone: (631) 665-1185 Fax:(631) 665-0036

www.islipcda.org

Contact Person

Robert Balina, Program Coordinator
631-665-1185 (Extension 27)

**Executive Director
Julia E. MacGibbon**

**Director of Affordable Housing and Program Development
Kevin Crean**



TOWN OF ISLIP COMMUNITY DEVELOPMENT AGENCY

BOARD OF DIRECTORS

Debra Cavanagh, Chairperson

Jarett Gandolfo • Timothy Morris • Manuel Troche • Maria Vidal



Julia E. MacGibbon, *Executive Director*

Kevin J. Crean, *Director of Affordable Housing and Program Development*

Renee C. Sumpter, *Chief Financial Officer*

Dear Home Seekers:

Thank you for inquiring about the Town of Islip Community Development Agency's Affordable Housing Program. Enclosed you will find the Agency's Affordable Housing Program application, guidelines and procedures for upcoming lotteries. Please review the requirements carefully to determine if you qualify.

Since 1976, the CDA has implemented many programs targeted toward first-time home buyers. Under these programs, we have successfully rehabilitated or constructed and provided the homes and mortgages for over 1100 first-time home buyers.

The homes have either been extensively renovated or are newly constructed, using the most recent energy conservation standards and are in several communities throughout the Township of Islip.

We will assist eligible applicants with low interest rate financing, low down payments, no closing costs, and no application fee. Houses will be available for direct sales or rent with the option- to-buy. Mortgage subsidies may also be available to those who qualify.

Don't miss this opportunity to have a beautiful home of your own that you can afford.

If you think you meet the minimum qualifying requirements, please complete the enclosed application in full, sign it **and email it to Robert Balina, Program Coordinator at rbalina@islipcda.org**

Once your application is reviewed, you will be notified of your preliminary eligibility status. If eligible, you will be entered into the next lottery. After the lottery, we will schedule an appointment with you to review all of the "Additional Required Documentation" as specified in this application.

If you have any questions regarding the program or application requirements, please call the CDA's Affordable Housing Support Staff at (631) 665-1185.

Yours Sincerely,

Julia E. MacGibbon

Enclosures

15 Shore Lane, P.O. Box 5587, Bay Shore, New York 11706

Phone: (631) 665-1185 • Fax (631) 665-0036

TOWN OF ISLIP

COMMUNITY DEVELOPMENT AGENCY

Affordable Workforce Housing Program

Application - Guidelines - Procedures

Eligibility Criteria:

In order to determine eligibility to our program, the applicant and co-applicant (if any) must meet the following guidelines established by the U.S. Department of HUD and standard underwriting criteria:

1. Be a first-time home buyer or not have owned a home or any other type of property or deducted mortgage interest payments on your income tax returns in the past three (3) years.
2. Be a United States citizen, by birth or naturalization or have permanent resident status and have a valid Social Security Number.
3. Applicant must meet the modest underwriting measures in order to qualify for a mortgage that will be offered by the CDA, the requirements are:
 - A. Have acceptable credit rating (no less than 640) and minimal derogatory or adverse credit information
 - B. Have minimal outstanding credit card debt and/or installment loans
 - C. No outstanding / open judgment(s)
 - D. No bankruptcy within the past 5 years
4. Have savings of less than \$50,000 (exclusive of retirement funds) and at least \$15,000 - \$20,000 for down payment and closing costs
5. Have a stable employment work history of at least 2 years, within the same or similar profession
6. Applicants must **meet the Minimum Mortgageable Income Requirement of \$65,000,** and **must not exceed the Maximum Annual Gross Family Income** as indicated below. Income includes all wages, salaries and other income such as overtime, bonuses, commissions, tips, deferred compensation, etc.

| Family Size | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------|----------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| CDA Housing Program | <u>Minimum</u> | \$65,000 | \$65,000 | \$65,000 | \$65,000 | \$65,000 | \$65,000 | \$65,000 | \$65,000 |
| | <u>Maximum</u> | \$86,200 | \$98,500 | \$110,800 | \$123,100 | \$132,950 | \$142,800 | \$152,650 | \$162,500 |

Disclaimer: It is understood that this is not an offer and that the terms, conditions and program income parameter and guidelines are subject to change at any time by the US Department of Housing and Urban Development (HUD) and/or the Town of Islip Community Development Agency (CDA)

DETERMINING AND EVALUATING ELIGIBILITY

In order to verify your eligibility for the program, you will be required to submit copies (**please no originals**) of supporting documentation and/or information for **both** the applicant and co-applicant (if applicable).

The application, documentation and/or information provided to us (including a credit report ordered by the CDA) will be considered property of and for the sole use of the Town of Islip Community Development Agency to determine eligibility to the Affordable Housing Program. **Please be aware, that your application will be rejected and returned to you if you cannot provide us with the necessary documentation.**

No application fee is required in order to apply to the program. Please follow the steps below:

Preliminary Eligibility Status is required for the Pre-Screening Process

The following three (3) items only are required in order to apply to the program and receive preliminary eligibility status:

1. Completed and signed Affordable Housing Application
2. Federal and State Income Tax Returns, included Form(s) W-2 for the past 3 years
3. Verification of Employment, four (4) consecutive pay stubs from your employer, for all employed members of the household and all other sources of income.

THE PRE-SCREENING PROCESS

As preliminary application packages are received, reviewed and evaluated, an applicant database will be established. All applicants that submit applications will be notified by mail of their preliminary status, and meetings will be scheduled with applicants who appear to be eligible.

After the items above are submitted to the CDA, any changes to an application must be requested in writing and be approved by the CDA's loan committee. Please note that:

1. Any incomplete or illegible applications received will be rejected and returned.
2. Only one application is allowed per household per year. Applicants who submit more than one application will be disqualified.
3. Applicants who do not meet the established guidelines and eligibility criteria will be disqualified.
4. Applicants who do not meet the requirements or are unable to provide us with the necessary information will be informed of the reason(s) for their ineligibility.
5. All applicants who meet the eligibility criteria according to the information provided to us with the preliminary application will be informed of the date, time, and place of the lottery.
6. If you do not meet the program guidelines or are ineligible for the Affordable Housing Program, you are encouraged to apply again, when conditions change. The CDA housing program staff will be available to assist with the application, answer questions or provide any assistance regarding eligibility.

THE LOTTERY AND THE FULL DOCUMENTATION REQUIRED

Affordable Housing Program Lotteries are expected to be held every year, depending upon the number of applications received, and number of houses available.

Lottery is open to all, with no preferences to families where the applicant or co-applicant lives or works in the Township of Islip.

All names included in the lottery will be drawn that day.

After the lottery list has been created, we will call in the applicants in the order drawn. The CDA's administrative staff will thoroughly explain the program and the required additional documentation.

If all documentation is acceptable and you are finally approved by the CDA Loan Committee, we will then show and offer the first available homes that are suited to your family size and income. We generally match larger families with larger homes and higher income families with higher cost homes and so forth.

FULL DOCUMENTATION

After the lottery, we will schedule a meeting with you at our office at which the following information will be required:

1. Verification of Employment and Other Sources of Income, if applicable (i.e. Secondary or part-time employment, alimony, child support, pensions, social security, disability, etc.) – Three (3) Years of Tax Returns
2. Assets – Three (3) consecutive recent bank statement(s) for all accounts (Savings, Checking, Retirement, etc.)
3. Debts and Liability - Recent credit card and loan statements for open account(s). Including: Order to pay Alimony, Child Support, etc. (if applicable).
4. Satisfaction of any debts or judgments that may appear on your credit report
5. A notarized monetary gift letter from the specified donor and dollar amount (if applicable)
6. Lease agreement (if available) and rent receipts for the past 6 months
7. Personal identification such as a birth certificates, driver's licenses or passports
8. Marriage Certificate, Divorce decree or legal separation agreement with proof that the agreement or memorandum of same is filed with a County Clerks office. (if applicable)
9. Three (3) letters of personal and character reference by non-related individuals
10. A list of the names, addresses and telephone numbers of persons to contact to verify your employment, savings, character reference(s) and rental status (for the past 2 years).
11. Proof of enrollment for students over 18 years of age attending school/college.

TYPE OF HOME PURCHASE OPTIONS AVAILABLE

Homes offered through the Affordable Housing Program will be sold at appraised value.

The purchase price and annual real estate property taxes of each home vary based upon location, square footage and other features of the home.

The CDA provides the mortgage financing towards the purchase of the home. As a result, the home buyer benefits by:

- Having low interest financing, currently at 3% with no points
- No CDA closing costs. (Buyers are responsible for the closing fees, such as: title, attorney fees, establishment of a tax escrow account and home owners insurance.)
- Exemption from NYS mortgage tax
- No PMI (Private mortgage insurance) up front and no monthly premium fees.
- A rent with option to purchase agreement for buyers that lack the funds for the down-payment and closing fees.

DIRECT SALES

The Agency may offer you the opportunity to purchase a home and will assist you with the financing. The terms may include a secured mortgage subsidy that will lower the net purchase price. The result is a lower net price, on which we will require a down payment of at least \$5,000. In addition, we may hold a 30-year mortgage at a low interest rate. The mortgage loan has no points or private mortgage insurance. All families who are offered a home will be required to complete a Homeownership course. When the Agency underwrites the indebtedness; the closing costs will be much less than if obtaining conventional financing.

To qualify, you must have:

1. At least \$5,000 of your own funds available to cover the down payment.
2. Additional \$15,000 - \$20,000 for closing fees. These funds can be in the form of a monetary gift.

RENT WITH THE OPTION TO BUY

If you are unable to participate in the direct sales program because you lack the necessary funds for the down payment and closing costs, the Agency may offer you the rent with option to buy alternative. This program consists of a rental period of 12 months. A portion of each month's rent will be held in an escrow account for the down payment and closing costs. At the end of the rental period, you must have sufficient funds to provide an acceptable down payment and all anticipated closing costs. You will then be able to purchase the home as described above, providing that you have complied with the lease- purchase option agreement, including having made timely payments, completed home buying counseling and properly maintained the home.