



**CITY OF OGDEN, UTAH
COMMUNITY AND ECONOMIC DEVELOPMENT**

OWN IN OGDEN PROGRAM GUIDELINES

I. PROGRAM SUMMARY

Own in Ogden is an Ogden City, a Utah Municipal Corporation program designed to increase home ownership in specific targeted neighborhoods. Persons buying primary residence homes in the overall Own in Ogden Target Area (see map) can qualify for a \$3,000 zero interest, deferred payment, declining loan to assist with that purchase. Specified Target Neighborhoods receive \$5,000 loans (see page 2). Income qualified, sworn Ogden City Police Officers and Ogden City Fire Fighters can receive \$10,000 loans when buying a primary residence within the overall target area. Own in Ogden loans can only be used at the time of closing for down payment, closing costs, or, if funds are remaining, a principal reduction toward the first mortgage loan. Own in Ogden funds are available on a first come first serve basis.

II. UNIFORM RELOCATION ACT (URA) AND ANTI-DISPLACEMENT POLICY

Tenant occupied properties are not eligible, except in the instance of a tenant purchase application. HUD URA guidelines prohibit the displacement of tenants in conjunction with any federally assisted sale. Sellers must complete and submit the Seller Affidavit of Occupancy and Uniform Relocation Act Buyers/Sellers Certification (attached) prior to any Own in Ogden application approval.

III. PROCEDURE

When Buyers find a home and complete negotiations using a Real Estate Purchase Contract, they submit for assistance with the following initial requirements; (1) Own in Ogden Application, (2) Own in Ogden Commitment Letter, (3) Real Estate Purchase Contract, (4) Picture Identification, (5) Income information (most recent tax returns and pay-stubs for all household members over the age of 18), and (6) Seller Permission for housing safety inspection. Non US citizens must also provide documentation of legal residency at the time of application. Buyers are required to attend and then submit a completion certificate from a HUD-approved home buyer class prior to closing. After the application is received, the Program Administrator coordinates additional file requirements, approvals and funding.

IV. REQUIREMENTS

Household Income Qualifications:

Income information in the form of pay-stubs and recent tax returns are required to qualify for the Own in Ogden Program. Every member of the household over the age of eighteen must submit income information regardless of their participation in the real estate purchase. The annual household income (all members over the age of 18) cannot exceed 80% of the area-wide median income. These income limits, based on household size, are listed below:

<u>Persons in Household</u>	<u>Maximum Income</u>
1	\$38,350
2	\$43,850
3	\$49,300
4	\$54,800
5	\$59,200
6	\$63,550
7	\$67,950
8	\$72,350

Property Location: (Target Neighborhoods) Properties must be located within the Own in Ogden target area. The current target area is from the south side of Twelfth Street (north boundary) to the Ogden River and from the west side of Monroe to the east side of Wall Avenue, then from the Ogden River to the north side of 36th Street (which is the south boundary) and from Harrison Blvd. (both sides) west to the City limits (please refer to map). **The loan amount in the overall target area is \$3,000.**

Specified Target Neighborhoods: (where \$5,000 loans are available): East Central, the city blocks from 20th Street on the north to 30th Street on the south between Washington Boulevard and Harrison Boulevard, including both sides of those four streets.

Ownership/Residency: Buyers must be taking fee simple title to the property upon closing, and using the property as their primary residence throughout the term of the Own in Ogden loan. Ownership in title of persons who do not primarily reside in the property is not allowed.

Purchase Price: Dependant on the source of funding, the initial purchase price of the property cannot exceed \$263,388 for single unit, \$296,658 for a duplex, \$360,425 for a triplex, and \$415,875 for a four-plex. Multi-unit dwellings are allowed only if the Buyer(s) intent is to reside in one of the units and an existing tenant is not evicted without just cause or through mutual written agreement with their current landlord (Seller). Property values will be confirmed by an appraisal submitted to the Own in Ogden Administrator.

Zoning: The home being purchased must be zoned residential allowing the use of the property as a primary residence. Non-conforming uses or other types of property zoning will not be allowed. Buyers purchasing properties with unresolved code enforcement citations will not be eligible to receive Own in Ogden assistance until after all citations have been resolved.

Manufactured Housing: Manufactured housing must be located on a permanent foundation, connected to utility hookups and in compliance with Ogden City Code requirements.

V. PROPERTY STANDARDS

Housing habitability and safety issues: Own in Ogden requires that homes being purchased using down payment assistance meet basic HUD/FHA requirements for habitability with no major structural damage or negative conditions representing a threat to resident health and safety.

Permission to conduct an Ogden City Housing Safety Inspection: Permission to conduct a housing safety inspection is required from the property owner of record (enclosed). This housing safety inspection addresses safety issues and must be conducted, with any required repairs completed, prior to Own in Ogden funding. To address other property concerns, a formal property inspection conducted by a private inspection firm may be conducted at Buyers' expense.

Minimal FHA 203K escrowed repairs: Repairs that will be completed after closing may be allowed, provided the repairs that are specified in the Ogden City Housing Safety Inspection are included in the approved outline of repairs, and that all work is conducted by a licensed contractor. Funds for approved repairs must be held in escrow and disbursed only to the licensed contractor upon satisfactory completion.

Lead Base Paint: Any deteriorated paint surfaces that are found during the Ogden City inspection will require testing, and need to be repaired prior to funding if the surfaces are found to be positive for lead. A licensed and certified lead base paint contractor must perform all work involving the stabilization of Lead Base Paint in compliance with HUD guidelines. After repairs, a certified Lead Base Paint Risk Assessor must provide all associated clearance reports.

VI. FIRST MORTGAGE FINANCING / OWN IN OGDEN REPAYMENT TERMS:

Loan approval: Documentation from the Mortgage Lender regarding the mortgage loan must be provided to the Own in Ogden administrator. Only fixed-rate FHA, VA, or conventional financing is allowed. Purchases involving other down-payment assistance programs are not allowed. Rent to buy and lease to buy contracts are not allowed. Adjustable rate mortgages, balloon payment mortgages and interest only mortgages are not allowed. Seller carry financing is not allowed. 2/1 buy downs may be accepted upon review, on a case-by-case basis, when used in conjunction with a fixed-rate mortgage, and when the Lender provides written documentation stating loan qualification has been approved at the highest rate of the mortgage buy down plan.

Expense to Income Ratio: Documentation from the Mortgage Lender regarding expense to income ratios must be provided to the Own in Ogden administrator. Borrower(s) whose expense to income ratio exceeds 45% will not qualify for Own in Ogden down payment assistance.

Buyer's Cash Contribution: Borrower(s) must provide at least \$500.00 of his/her own money toward the purchase. This is usually in the form of earnest money. Fees paid for appraisals or termite inspections may be submitted, provided a receipt confirming direct payment from the Buyer to the vendor is provided. This \$500.00 contribution is to be verified prior to the allocation of funds and cannot be included in the mortgage loan or refunded to the buyer at closing.

Lien position: Own in Ogden Loans are secured by a Promissory Note and Trust Deed. The City prefers that Own in Ogden loans occupy second position. Third position Own in Ogden loans may be considered on a case by case basis.

Repayment Requirements: Effective August 28, 2002, all new Own in Ogden loans will be forgiven at a declining rate over a five-year residency requirement period. During the required time of residency, 10% for each year of residency will be forgiven over a period of four years with the remaining 60% balance credited after the full five years of residency is completed. To receive these credits, Buyer(s) are required to provide proof of residency for each year on a yearly basis. This is to be in the form of standard monthly billings that show mail delivery to the property address, in the name of the buyer. Own in Ogden loan credits cannot be awarded without proof of residency.

Refinancing: The general policy of Ogden City Community & Economic Development is not to subordinate loans. Subordinations will not be granted to provide cash out or assist with debt consolidation or payment of personal debt. Loan subordinations will be considered strictly on a case by case basis under certain circumstances. These circumstances include (1) streamline first mortgage refinancing to lower monthly payments, (2) protection of Ogden City interests, or (3) escrowed funds for property repairs being performed by a licensed contractor under a scope of work approved by Ogden City. For further details please refer to Policies Regarding Loan Subordinations, page 12.

**For more information about the Own-in-Ogden Program, call or write:
Ogden City, a Utah Municipal Corporation
2549 Washington Blvd., Suite 120
Ogden, UT 84401-1333
(801) 629-8906
TDD (801) 629-8949**





CITY OF OGDEN, UTAH
COMMUNITY AND ECONOMIC DEVELOPMENT

OGDEN CITY COMMUNITY AND ECONOMIC DEVELOPMENT
OWN IN OGDEN LOAN COMMITMENT

Borrower(s) _____

Property Address _____

Ogden City, a Utah Municipal Corporation (Ogden City) hereby commits an Own in Ogden Loan of \$ _____ to the undersigned Borrower(s), *provided that requirements and procedures as specified in the Own in Ogden Program Guidelines are followed.*

These funds for down payment and closing cost expenses are to be delivered at the time of closing on the above-described property to the Title Company conducting the transaction.

This reservation of funds expires _____

BORROWER AGREEMENT

The undersigned Borrower acknowledges submitting an application for an Own in Ogden Loan of \$ _____ and agrees to adhere to the requirements of the Own in Ogden Program.

Buyer agrees that the property being purchased is intended to be used as their *primary residence* and that they are in compliance with program specifications regarding the *terms and qualifying status of their mortgage loan* (see Own in Ogden Program Guidelines).

Buyer(s) agree to attend, complete and provide the Own in Ogden Program Administrator with a *Certificate of Completion from a HUD approved Home Ownership class prior to closing date* on the above-described property unless other arrangements are made with the program administrator.

Ogden City, a Utah Municipal Corporation

BY: _____
Ogden City Representative **Date**

BY: _____
Buyer **Date**

Buyer **Date**



CITY OF OGDEN, UTAH
COMMUNITY AND ECONOMIC DEVELOPMENT

SELLER PERMISSION TO CONDUCT HOUSING SAFETY INSPECTION
(A Requirement of the Own In Ogden Down Payment Assistance Program)

I certify that I am the legal owner, or the owners' legal representative, and hereby authorize a code and safety inspection of the property listed below. I am aware that a safety inspection will be performed on the property by an Ogden City Housing Inspector to determine compliance with safety issues within the International Property Maintenance Code as adopted by Ogden City, which is used to identify life and safety housing code violations. I also understand that after this inspection, I shall be responsible for correcting any hazardous conditions or safety violations that are identified, regardless of the outcome of any Own in Ogden application that is currently underway for this property.

Property Address

Owner Phone Date

Co-Owner Phone Date

STATE OF UTAH
COUNTY OF WEBER

On the ___ day of _____ 2009, personally appeared before me _____ the
signer(s) of the above instrument, who duly acknowledged to me that he executed the same.

NOTARY PUBLIC

OWN IN OGDEN PROGRAM
SELLER AFFIDAVIT OF OCCUPANCY

THE UNDERSIGNED, BEING FIRST DULY SWORN, DEPOSES AND SAYS THAT:

(1) The Undersigned is the Seller of the property located at:

_____ with _____ as Buyer(s).

This property will not be eligible for Own in Ogden assistance if a tenant has been evicted or asked to vacate the property, and that action would not have occurred but for the Own in Ogden assisted purchase. If any tenants have been displaced within three months prior to the current purchase offer, the Uniform Relocation Act prohibits Ogden City from providing down payment assistance. Please answer the following items, providing detailed information regarding any tenants during the three months previous to the REPC acceptance date, then notarize and return to Ogden City Community Development.

(2) The undersigned Seller certifies that the property is:

- Occupied by the Seller at this time,
- Is being sold to the current tenant,
- Is vacant - the property has been vacant since _____
Please describe how the property became vacant: _____

(3) Contact information for all occupants during the three months prior to current purchase offer:

Tenant Name _____ Phone _____
 Current Address _____ Dates of residency: _____

Tenant Name _____ Phone _____
 Current Address _____ Dates of residency: _____

Tenant Name _____ Phone _____
 Current Address _____ Dates of residency: _____

I/we have read the above, understand its contents, and certify that the information which I/we have provided is true.

Seller(s) Signature

Seller(s) Signature

STATE OF UTAH
COUNTY OF WEBER

On the ___ day of _____ 2009, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that _he_ executed the same.

NOTARY PUBLIC

Own in Ogden Down Payment Assistance Program
UNIFORM RELOCATION ACT BUYERS/SELLERS CERTIFICATION

This letter is intended to disclose that HOME, CDBG or HOPWA funds are being used to finance a portion of the costs associated with the acquisition of certain real property which is;

Located at: _____ (the "Property").

Being sold by: _____ ("Seller").

And purchased by: _____ ("Buyer").

Under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 the acquisition of the Property by Buyer is deemed a voluntary acquisition, and Buyer hereby notifies Seller of the following:

1. Buyer does not possess the power of eminent domain.
2. Buyer estimates the fair market value of the property to be \$_____.

Buyer: _____ Date: _____

Buyer: _____ Date: _____

SELLER(S) PLEASE COMPLETE THE SECTION BELOW

SELLER'S ACKNOWLEDGEMENT

Seller hereby acknowledges that it has received and understands that above information. In the event the above information was provided to Seller after Buyer made an offer on the property, or a purchase and sale agreement for the Property presently exists, Seller hereby acknowledges that Seller has been provided an opportunity to withdraw from the sale of the Property,

SELLER'S CERTIFICATION AND AGREEMENT

- I/We certify that I/we understand that if I/we have the right to withdraw from my/our agreement to sell the subject property without penalty.
- I/we do not wish to withdraw from my/our agreement to sell the subject property.

Seller: _____ Date: _____

Seller: _____ Date: _____

**OWN IN OGDEN PROGRAM
LENDER AFFIDAVIT**

THE UNDERSIGNED OFFICER, BEING DULY SWORN, DEPOSES AND SAYS THAT:

(1) The Undersigned represents the Lender responsible for issuing the purchase money mortgage loan (in first lien position) for the purchase of the residence located at;

_____ and issued to;

_____ Buyer(s).

(2) The Undersigned has read the OWN IN OGDEN PROGRAM GUIDELINES.

Regarding the requirements of the loan agreement between Ogden City, A Utah Municipal Corporation and the Buyer(s), with respect to the Own in Ogden loan being made to help finance down payment and closing costs associated with the above residence purchase, the undersigned Lender certifies that Own in Ogden Program Requirements (First Mortgage Financing) will have been met at the time of closing, specifically;

- (1) Terms: Mortgage loan is issued under a fixed interest rate.
- (2) Terms: Mortgage is not an adjustable rate or interest only loan.
- (3) Terms: Mortgage loan does not include balloon payment terms.
- (2) Debt to income ratio: DTI ratio does not exceed 45%.
- (3) Buyer's cash contribution: Buyer must contribute \$500.00

Lender Name: _____

By: _____ Title: _____

STATE OF UTAH
COUNTY OF WEBER

On the ___ day of _____ 2009, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that _he_ executed the same.

NOTARY PUBLIC

OWN IN OGDEN

Home Ownership Class Requirement

HUD approved home ownership classes provide valuable information about purchasing, the role of Realtors, different Mortgage Loan products and budgeting for Home Repairs.

**Make an appointment NOW to take
Your required Home Owner Class:**

**LISTED BELOW ARE EDUCATORS IN THE SALT LAKE AND OGDEN
AREA WHO PROVIDE THE HUD APPROVED HOME OWNERSHIP CLASS**

**PLEASE CALL FOR DATES AND TIMES OF THE CLASSES
THAT ARE BEING OFFERED IN YOUR AREA.**

**Community Development Corporation
501 East 1700 South - Salt Lake City, Utah
801-994-7222**

**Your Community Connection
2261 Adams Avenue - Ogden, Utah
801-394-9456**

**USU Extension Services
2001 South State #S1200 - Salt Lake City, Utah
801-468-3179**

**USU Extension Services
1181 N. Fairgrounds Drive - Ogden, Utah
801-399-8200**

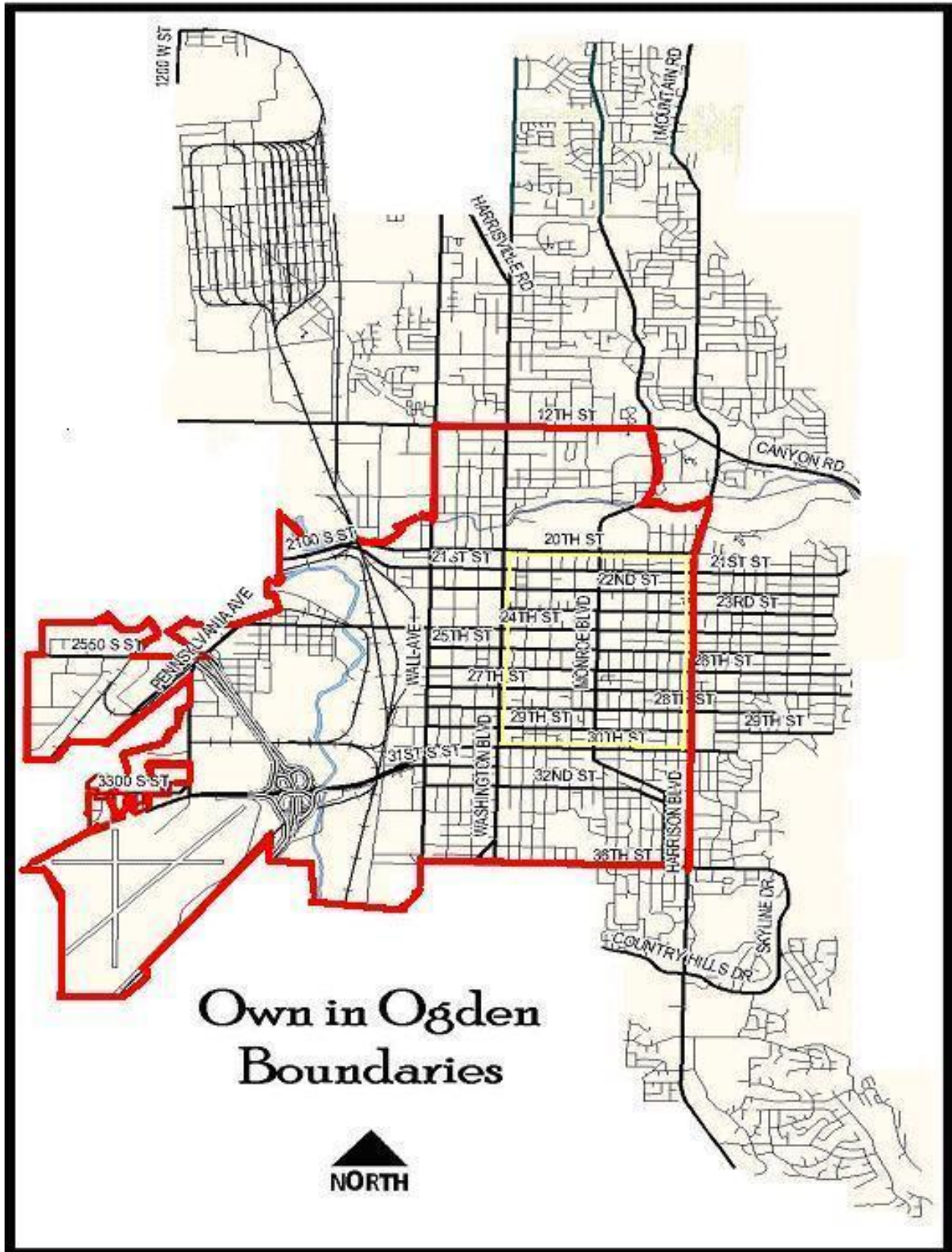
OWN IN OGDEN APPLICATION PROCESS

ITEMS NEEDED TO START AN OWN IN OGDEN APPLICATION:

1. COMPLETED OWN IN OGDEN APPLICATION
2. SIGNED OWN IN OGDEN COMMITMENT LETTER
3. SELLER AFFIDAVIT OF OCCUPANCY
4. UNIFORM RELOCATION ACT BUYER/SELLER CERTIFICATION
5. SELLER PERMISSION FOR OGDEN CITY HOUSING SAFETY INSPECTION
6. CURRENT TAX RETURN FEDERAL FORM 1040 FOR ALL HOUSEHOLD MEMBERS OVER THE AGE OF 18.
7. 2 CURRENT PAY STUBS FOR ALL HOUSEHOLD MEMBERS OVER AGE 18.
8. PICTURE IDENTIFICATION (please do not fax – fax copies are not legible)
9. NON CITIZENS - DOCUMENTATION OF LEGAL RESIDENCY
10. PROOF OF \$500 CONTRIBUTION TOWARD THE PURCHASE.
11. COMPLETE REAL ESTATE PURCHASE CONTRACT INCLUDING A LEAD BASE PAINT DISCLOSURE IF THE HOME WAS BUILT BEFORE 1978.
12. SELLER PERMISSION FOR OGDEN CITY HOUSING SAFETY INSPECTION

REMAINING ITEMS NEEDED FOR FILE COMPETION AND FINAL APPROVAL:

13. HOUSING SAFETY INSPECTION COMPLETED (Ogden City)
14. LEAD BASE PAINT INSPECTION COMPLETED (Ogden City)
15. TITLE WORK FOR THE PROPERTY.
16. TERMITE INSPECTION FOR THE PROPERTY
17. LENDER'S LOAN APPROVAL LETTER – Indicating (1) loan approval status, (2) loan amount, (3) loan terms, (4) interest rate and (5) verification of debt to income ratio not exceeding 45%.
18. LENDER AFFIDAVIT
19. LOAN INFORMATION
20. HUD APPROVED HOMEBUYER CLASS CERTIFICATE.
21. SELLER'S AFFADAVIT OF OCCUPANCY
22. APPRAISAL OF THE PROPERTY.
23. SETTLEMENT STATEMENTS.





Community & Economic Development Policies Regarding Loan Subordination

The general policy of Community & Economic Development is not to subordinate our loans.

Subordination is sometimes considered, but only under certain circumstances. These examples are meant for illustrative purposes only, as each case will be weighted on its individual merits.

- If the present owner were in jeopardy of losing the property and subordinating would protect our investment.
- If the subordination would facilitate the home being sold to an income eligible family.
- If subordination is part of a refinance making the home more affordable to the current owner.
- If the additional money being secured is used only for home repairs of a nature that will help protect our interests, with the funds for repairs being held in escrow by the lender or Title Company to ensure repairs are performed correctly by a licensed contractor.
 - *Please note that we will not subordinate if the purpose of the refinance is debt consolidation or if the end result materially changes the security of our position.*

ITEMS NEEDED FOR SUBORDINATION REVIEW

1. **A letter from the Owners (signed by the Owners) that states:**

- Why they are requesting subordination.
- What the amount, interest rate and monthly payments are on their old loan.
- What the amount, interest rate and monthly payments are on the new loan.

2. **A Standard Subordination Document – this must be free of any generalized notices.**

The City Attorney's office has advised Community Development not to execute documents containing the following types of language: Please omit these types of statements from requests submitted for review.

- a) This subordination agreement results in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instruments.
- b) This subordination agreement contains a provision which allows the person obligated on your real property security to obtain a loan, a portion of which may be expended for other purposes than improvement of the land.

3. **Title Work.**

4. **Settlement Statement.**

5. **Current Property Appraisal if acquired for new mortgage loan processing**

Submit subordination requests to:
(Please allow five days for processing)

Cheryl Hurley / Project Coordinator
Community Development Division
2549 Washington Boulevard Suite 120
Ogden, Utah 84401
Phone: 801-629-8906 Fax: 801-629-8996