



# CITY OF MOLINE



## COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT COMMUNITY DEVELOPMENT DIVISION

619 16<sup>th</sup> Street, Moline, Illinois 61265 • 309-524-2044



### Community Development Block Grant (CDBG) CDBG Down Payment/Closing Cost Assistance Program Overview & Application April 7, 2020



40 Years



Building Better Neighborhoods

## Program Overview

Owning a home is part of the American Dream. CDBG funds can help support this dream by providing funds to income eligible households to purchase an existing or newly constructed home in the City of Moline. The CDBG Down Payment/Closing Cost Assistance Program was created to provide forgivable loans to low-moderate-income homebuyers to acquire a home in the City of Moline. A five-year lien will be placed on the property that receives assistance. The loans are forgivable (and pro-rated) in that, as long as the recipients remain living in the homes they buy for five years, they don't owe any reimbursement for the acquisition assistance.

## Program Eligibility

- An applicant's total household income doesn't exceed the current HUD Income guidelines.

### 2020 Annual Income Guidelines (75,400 Median Family Income)

Household Size AMI's	Limit	1	2	3	4	5	6	7	8
	80%	\$42,250	\$48,250	\$54,300	\$60,300	\$65,150	\$69,950	\$74,800	\$79,600

- An applicant must have the ability to obtain a FHA, VA or Conventional/Fixed Rate Mortgage loan;
- An applicant's debt load shall not exceed the front- and back-end ratios:
  - The front-end ratio expresses housing debt to income. The front-end ratio must be below 31% to qualify.
  - The back-end ratio expresses total debt to income. The back-end ratio must be below 43% to qualify.

CDBG funds may be used to provide direct homeownership assistance to LMI households. Each application is reviewed and approved or denied on a case by case basis. Below are additional program requirements, including, but not limited to:

- Homes shall be purchased through a fee simple title;
- This program will provide up to 50% of the required down payment;
- This program will pay reasonable closing cost;
- The acquisition component of the program allows homebuyers at 80% Area Median Income (AMI) to receive up to \$5,000 assistance with down payment and/or closing costs;
- Homebuyers are required to contribute at least **\$1,000.00** towards the down payment and/or closing cost;
- Potential homebuyers are required to complete an **eight hour** Homebuyers education class from a HUD Approved Counseling Agency prior to receipt of financial assistance;
- Homebuyers must carry home owner's insurance and list the City of Moline as an additional insured;
- This program will be offered on a first come first served basis until the all the funds are utilized;

# **CHECKLIST FOR CITY OF MOLINE**

## **CDBG Down Payment/Closing Cost Assistance Program Checklist**

**Contact:**

- **K. J. Whitley, Community Development Program Manager** **309-524-2044**

**Please return the following items with your application:**

- Completed Homebuyer Program Application
  - Full list of **all** household members with birthdates
  
- Proof of Total Household Income **(for everyone 18 and over)**
  - Previous year's Tax Returns with **all** W-2s
  - Check stubs **(last 60 days)**
  - Zero Income Form **(when no income is received for 18 and over)**
  - Pensions
  - Social Security
  - Alimony
  - Bank Statements **(within the last 60 days)**
  - Other (i.e. babysitting, Avon, etc...)
  
- Proof of Identification/Citizenship **(for everyone 18 and over)**
  - Social Security Cards
  - Government Photo I.D.'s
  
- Signed 4506-T (3<sup>rd</sup> party verification) **(for everyone 18 and over)**
  
- Lender Pre- Approval Letter stating how much you have been approved for a loan and terms of pre-approval
  
- \*Credit Report (Lender)



# CITY OF MOLINE

## CDBG Down Payment/Closing Cost Assistance Program Application

CDBGHB 20 _____ - _____	Received Date: _____	By whom: _____	<input type="checkbox"/> Credit Report Score: _____
<input type="checkbox"/> Pre-Approval Letter	Lender: _____	\$ _____	Expiration: _____
<input type="checkbox"/> Approved	Front End _____% Back End _____%	<input type="checkbox"/> Disapproved _____	

The Applicant understands that this pre-qualification is screening document to insure that potential buyers meet the minimum requirements. This pre-qualification does not guarantee that the Applicant has or will qualify for financial assistance.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Co-Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Applicant Information

Applicant's Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Last First MI  
Street City State Zip

Social Security Number: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Employer: \_\_\_\_\_ Date of Employment: from \_\_\_\_\_ Present/To \_\_\_\_\_

Employer's Address: \_\_\_\_\_  
Street City State Zip

Gross Income (Check one): \$ \_\_\_\_\_  Annual  Monthly  Weekly  Hourly

### Co-Applicant Information

Applicant's Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Last First MI  
Street City State Zip

Social Security Number: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Employer: \_\_\_\_\_ Date of Employment: from \_\_\_\_\_ Present/To \_\_\_\_\_

Employer's Address: \_\_\_\_\_  
Street City State Zip

Gross Income (Check one): \$ \_\_\_\_\_  Annual  Monthly  Weekly  Hourly

**Household Information** (Complete for each Person who will be living in the household other than the applicant)

Name:	Relationship:	Sex:	Age:
Employment Status:			
1. _____			
2. _____			
3. _____			
4. _____			

**Household Income** (Income Received in the last 12 months)

	Applicant	Co-Applicant	Other Adult
Total Earnings:	_____	_____	_____
Social Security:	_____	_____	_____
AFC:	_____	_____	_____
Child Support:	_____	_____	_____
Pension:	_____	_____	_____
Interest/Dividends:	_____	_____	_____
Other (please describe):	_____	_____	_____
<b>TOTAL INCOME:</b>	_____	_____	_____

**Assets** (list all checking/savings accounts, CD's, investments, etc.)

Asset (type):	Present Value:	Annual Income:
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

**Description of Other Income**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Home Purchase Information** (fill out only if a property has been identified)

Address: \_\_\_\_\_  
Street
City
State
Zip

Purchase Price: \$ \_\_\_\_\_ Number of Bedrooms: \_\_\_\_\_ Year Built: \_\_\_\_\_

Earnest Money: \$ \_\_\_\_\_ 1<sup>st</sup> Mortgage Amount: \$ \_\_\_\_\_

Buyer's Down payment: \$ \_\_\_\_\_ Realtor & Phone Number: \_\_\_\_\_

Projected Closing Date: \_\_\_\_\_ Lender: \_\_\_\_\_

Loan Originator: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**Monthly Expenses**

	Average Monthly Payment	Remaining Balance
Rent (do not include utilities):	_____	_____
Auto loan (s):	_____	_____
Other Consumer Loans:	_____	_____
Credit Card (s):	_____	_____
Medical Bills:	_____	_____
Dental Bills:	_____	_____
Hospital Bills:	_____	_____
Child Care Expenses:	_____	_____
Student Loans:	_____	_____
Alimony:	_____	_____
Car Insurance:	_____	_____
Health Insurance:	_____	_____
Other:	_____	_____
<b>TOTAL:</b>	_____	_____

## Signatures

U.S.C Title 18, Section 1001 provides: "Whoever in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies or makes any false, fictitious or fraudulent statement of entry, shall be fined not more than \$10,000, or imprisoned not more than five years, or both. In addition, any fraudulent, fictitious or false statement on this application will result in the calling in or any note, deferred grant or other financial help in full."

**I certify that all the foregoing information in this application is true and correct:**

**Applicant Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Co-Applicant Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**City of Moline**  
**CDBG Down Payment/Closing Cost Assistance Program**  
**Authority for Release of Information Form**

Program Administrator (Sponsor) Name: **CDBG Down Payment/Closing Cost Assistance Program**

Program Administrator (Sponsor) Address: **619 16<sup>th</sup> Street, Moline, IL 61265**

I hereby authorize the above Sponsor to verify my bank accounts, employment records, outstanding debts, including any present or previous mortgages, and to make other inquiries pertaining to my qualification for the **CDBG Down Payment/Closing Cost Assistance Program**, administered by the **City of Moline**. Sponsor may make copies of this letter for distribution to any party with which I have a financial or credit relationship and such party may rely on such copy as if the same were an original.

**Privacy Act Notice:** All information collected by Sponsor or its assignees shall be used in determining whether I qualify as a prospective recipient of a forgivable loan under the **CDBG Down Payment/Closing Cost Assistance Program**. Such information will not be disclosed outside Sponsor except as required and permitted by law. I understand that I do not have to provide any such information, but that failure to do so may cause my application for approval as a recipient or borrower to be delayed or rejected.

\_\_\_\_\_  
Applicant Signature (required)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Name (Print) (required)

\_\_\_\_\_  
Co-applicant Signature (required, if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-applicant Name (Print) (required, if applicable)



## City of Moline Applicant Demographic Profile

The following information is required by the federal government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity and fair housing laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may neither be discriminated on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish the information, under federal regulations the lender is required to note race or national origin and sex on the basis of visual observation or surname. If you do not wish to furnish this information, please check below.

**Program Name: CDBG Down Payment/Closing Cost Assistance Program**

Date: \_\_\_\_\_

House Address: \_\_\_\_\_  
  Street  City  State  Zip

Head of Household: \_\_\_\_\_  
  Street  City  State  Zip

I do not wish to furnish this information:

1. **Head of Household (check all that apply):**  Single  Married  Elderly  Single Parent with Children  Two Parents with Children  Other
2. **Race/Head of Household:**  White  Black  Native American  Asian or Pacific Islander  Hispanic  Other
3. **Number of Household members:** \_\_\_\_\_
4. **Sex of Head of Household:** \_\_\_\_\_ (F or M)
5. **Displaced Homemaker:** Yes \_\_\_\_\_ No \_\_\_\_\_  
(A displaced homemaker means an adult individual who: has not worked full-time, full-years in the labor force for a number of years, but has, during such years, worked primarily without pay to care for the home and family, and is employed or under-employed and is experiencing difficulty in obtaining or upgrading employment.)
6. **Physically Disabled Head of Household:** Yes \_\_\_\_\_ No \_\_\_\_\_

**CITY OF MOLINE**  
**CDBG Down Payment/Closing Cost Assistance Program**  
**ZERO INCOME VERIFICATION FORM**

(Must be completed by any person over the age of 18 who does not receive any income)

Applicant Name: \_\_\_\_\_

Address: \_\_\_\_\_

I \_\_\_\_\_ (name of person who does not receive income), hereby certify that I do not receive income from any of the following sources:

1. Wages, salaries, tips, etc.
2. Taxable interest.
3. Dividends.
4. Taxable refunds, credits or offsets of State and local income taxes. There are some exceptions - refer to Form 1040 instructions.
5. Alimony (or separate maintenance payments) received.
6. Business income (or loss).
7. Capital gain (or loss).
8. Other gains (or losses) (i.e., assets used in a trade or business that were exchanged or sold).
9. Taxable amount of individual retirement account (IRA) distributions. (Includes simplified employee pension [SEP] and savings incentive match plan for employees [SIMPLE] IRA.)
10. Taxable amount of pension and annuity payments.
11. Rental real estate, royalties, partnerships, S corporations, trusts, etc.
12. Farm income (or loss).
13. Unemployment compensation payments.
14. Taxable amount of Social Security benefits.
15. Other income. (Includes: prizes and awards; gambling, lottery or raffle winnings; jury duty fees; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit).

Or any other sources and do not anticipate any source of income in the next twelve months.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Household Member

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Phone Number

**PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S. Title 18, Sec. 1001 provides: "Whoever in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, or makes any false, fictitious or fraudulent statements or representations, or makes or use of any false writing or documents knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than 5 years or both."**