



Anoka County Housing and  
Redevelopment Authority



Dear Program Participant:

Thank you for your interest in the federal Neighborhood Stabilization Program (NSP) offered by Anoka County Community Development. The goal of the program is to stabilize our communities and the properties in the neighborhoods.

Attached is documentation that is required for your participation in the program. In order for Community Development to accept your request to purchase an NSP property, all attached forms must be completed and required documentation submitted. **Any missing or incomplete information will delay the process.** Please do not submit original documents with your application.

Complete, original applications should be mailed or delivered to:

Anoka County Community Development  
Attn: Kate Thunstrom  
2100 3<sup>rd</sup> Ave., Suite 700  
Anoka, MN 55303

This program has specific federal requirements that need approval prior to the acceptance of your purchase agreement.

Please read all sections carefully. If you have additional questions, contact:

Kate Thunstrom  
CDBG/NSP Coordinator  
[kate.thunstrom@co.anoka.mn.us](mailto:kate.thunstrom@co.anoka.mn.us)  
763-323-5714

## Program At a Glance

Eligible  
Primary/First  
Mortgage Loan  
Products

Prime, Fixed Rate (HUD, VA, Conventional)

Maximum  
Borrower Income

HUD Area Median Income  
Household annual income maximum based on household size, and % of AMI, Effective 4/2010

Size/AMI	1	2	3	4	5	6	7	8
<b>50%</b>	\$29,400	\$33,600	\$37,800	\$42,000	\$45,400	\$48,750	\$52,100	\$55,450
<b>80%</b>	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750	\$79,900	\$85,050
<b>120%</b>	\$70,550	\$80,650	\$90,700	\$100,800	\$108,850	\$116,950	\$125,000	\$133,050

Maximum  
Housing Ratio

26-33%

Minimum  
Borrower  
Investment

\$1,000 earnest money submitted with Purchase Agreement

Eligible Down  
Payment and  
Closing Cost  
Assistance

Households whose income falls below 80% AMI may be eligible for direct homeownership assistance towards buyers required closing costs and prepaids after an initial buyer contribution of 3.5%.

Funds will be secured by a purchase money mortgage and promissory note. The purchase money mortgage is deferred for 5 years and has 0% interest. The purchase money mortgage will be forgiven in the 6<sup>th</sup> year. If the buyer sells, refinances, or no longer occupies the home as his/her principal residence during the 5 years, the balance becomes immediately due.

Other

Borrowers may NOT receive any cash back at closing.

There is no first-time homebuyer requirement.

Borrowers are required to complete a Homebuyer Education Course before the scheduled closing. For a listing of HUD approved agencies, visit HUD's Web site:

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=MN>

Borrower  
Occupancy  
Requirement

Borrowers must owner occupy the property purchased as their principal place of residence and cannot have an ownership interest in any other property.

Property Terms

All properties will have an Affordability Period declaration filed against the property. This means that for 20 years following the closing of the sale to an eligible buyer, the property will remain the principal residence of a "low, moderate or middle income family" as defined in 42 U.S.C. 5302(a). If the property is sold during those 20 years, it must be sold to a "low, moderate or middle income family" as defined in 42 U.S.C. 5302(a) at the time of the purchase. Additional terms are discussed in the Declaration of Covenants, Conditions and Restrictions.

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## Required Documentation

Homes are sold to income and size qualified households on a first come, first served basis with a completed application. In order to reserve an offer on a property, a complete application must be received. An application will not be processed until all of the documents are completed and received as listed below:

Included in this application package:

- Application form - *signed signature page*
- Government Monitoring form - *signed*
- Data Privacy form - *signed*
- Authorization to Release form - *signed*
- Subordination Disclosure form - *signed*

Other required documentation:

- Copy of applicant(s) photo identification
  - Copy of applicant(s) Social Security Card and/or Permanent Resident Card
  - Copy of W2 forms for the last 3 years for every member of the household
  - Copy of tax returns for last 2 years for all household members
  - Copy of Uniform Residential Loan Application - from 1<sup>st</sup> Mortgage Lender, signed by applicant(s) and lender
  - Copy of mortgage pre-approval or approval letter
  - Copy of income documentation from all income sources for all household members, as indicated on page 6
  - Homebuyer Education certificate from a HUD approved Housing Counseling Agency
  - Signed Lead-Based Paint Disclosure and receipt of *"Protect Your Family From Lead in Your Home"* pamphlet - required on homes built before 1978
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## Applicant Information

Full Name of Applicant/Head of Household

Full name of Co-Applicant

Relationship to Applicant: \_\_\_\_\_

Social Security Number

Social Security Number

U.S. Citizen     Legal Permanent Resident

U.S. Citizen     Legal Permanent Resident

Marital Status

Marital Status

Married  
 Unmarried (widowed, single, or divorced)

Married  
 Unmarried (widowed, single, or divorced)

Current Address

Current Address

Phone Number (home): (    )

Phone Number (home): (    )

Alternate Phone: (    )

Alternate Phone: (    )

Email:

Email:

Name of Employer:

Name of Employer:

Estimated Gross Monthly Income: \$ \_\_\_\_\_

Estimated Gross Monthly Income: \$ \_\_\_\_\_

Occupation:

\_\_\_\_\_

Occupation:

\_\_\_\_\_

Number of Years with Employer: \_\_\_\_\_

Number of Years with Employer: \_\_\_\_\_

All applicants are required to attend Home Stretch classes. Have you attended a Homebuyer Education class within the last 12 months?  Yes     No

All applicants are required to attend Home Stretch classes. Have you attended a Homebuyer Education class within the last 12 months?  Yes     No

If Yes, please attach a copy of the Homebuyer Education Completion Certificate. If No, you will be required to attend this class before closing on the property.

If Yes, please attach a copy of the Homebuyer Education Completion Certificate. If No, you will be required to attend this class before closing on the property.

## Household Information

List the names of all individuals who will reside in the household in addition to the Applicant and Co-Applicant

Name	Birthdate	Relationship to Applicant/Co-Applicant	Student (Yes or No)	Social Security Number	Income (Yes or No)
	/ /				
	/ /				
	/ /				
	/ /				
	/ /				

## Property Information

Address of property to be purchased - *(If not yet determined, this section may be left blank)*

## Intent of Application

Select one:

- Purchase NSP property; not applying for additional down payment and closing cost assistance  
or  
 Purchase NSP property; income is less than 80% AMI and want to apply for additional down payment and closing cost assistance

## Income Documentation

If you select any of the following forms of income, documentation must be attached to this application for verification. Do NOT submit originals.

Has any member of the household 18 years and older received, or is expected to receive in the next 12 months, the following: **(Three (3) months of documentation must be submitted if any are selected)**

- Wages, salaries, overtime pay, commissions, fees, tips, bonuses, or other compensation
- Income or gain from CD's, money market accounts, brokerage accounts, stocks, bonds, or Treasury Bills
- Periodic payments from Social Security, disability/death benefits, pensions, retirement funds, annuities, insurance policies, or similar types of periodic benefits payments
- Payments in lieu of earnings, such as unemployment and disability compensation, workers compensation or severance pay
- Welfare assistance or TANF benefits
- Child support, spousal support/alimony, or regular contribution or gifts from persons not residing in the household including scholarships, parental gifts for tuition, etc.
- Revocable trust
- Lump sum payment or receipt of inheritances, capital gains, lottery winnings, victims' restitution or insurance settlements
- Real estate other than the primary residence or other capital investments

Does any member of the household have any of the following: **(Three (3) months of documentation must be submitted if any are selected)**

- Checking account
- Savings account
- Retirement, pension, IRA, Keogh fund accounts
- Life insurance policy available before death (whole or universal life insurance)
- Holding of personal property as an investment
- Mortgage or deed of trust
- Interest or payments from Indian Land Trust(s)

## Mortgage/Realtor Information

Loan Information	Type of Loan	<input type="checkbox"/> FHA <input type="checkbox"/> Conventional <input type="checkbox"/> Veterans Administration Interest Rate: _____% FIXED RATE for _____ years
	Mortgage Lending Company	Company _____
		Loan Officer _____
		Address _____
		Phone Number _____
		Fax _____
E-mail _____		
Realtor Contact Information, if applicable	Realtor Name _____	
	Affiliated Company _____	
	Address _____	
	Phone _____	
	Fax _____	
	E-mail _____	

## Conflict of Interest Provision

The conflict of interest provision of the federal program applies to any individual, business, or private entity receiving federal assistance, who has any family, business, contract or subcontract ties to: an employee, agent, consultant, officer, or elected official or appointed official of Anoka County, CDBG/NSP designated public agencies, or subrecipients that are receiving funds for their tenure or for one year after. If there are questions in regards to your participation with this program all information needs to be disclosed and Anoka County will work HUD to determine your eligibility. If it is later found that a conflict of interest occurred and was not reported, the loan balance will immediately become due and payable.

- No conflict of interest.  
 Yes, there is a conflict of interest. Please contact me to discuss my eligibility.

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## Program Affidavit

I/We certify that the information contained in all required and signed program-related documents submitted is true and correct.

I/We further certify that:

- I am (We are) a U.S. citizen or I/we have legal permanent resident status.
- The house I/we purchase will be my/our principal place of residence.
- I/We will notify Anoka County Community Development in writing if the home ceases to be my/our principal residence.

I/We further certify that I/We will comply with the 20-year Affordability Period attached to the property:

As described in the formal Declaration of Covenants, Conditions and Restrictions, which will be signed at the closing of the property:

1. I/We agree to take such steps and execute such documents to insure that each UNIT shall be maintained in compliance with the Federal Act for a period of twenty (20) years from the date hereof. To that end, I/We hereby agree to the following:
  - a. During the Affordability Period the property will be the principal residence of an owner whose family qualifies as a "low, moderate or middle income family" as defined in 42 U.S.C. 5302(a), at the time of purchase.
  - b. During the Affordability Period the property shall be available for subsequent purchase only to subsequent purchasers whose family qualifies as a "low, moderate or middle income family" which will use the property as its principal residence. The property may be re-purchased by the Declarant during the Affordability Period but the unit must then be re-sold to an income qualified family within one year of the date of re-purchase. If the Declarant fails to re-sell during the one year period, it shall be considered an event of default and the Agency may pursue the remedies set forth in the Declaration.
  - c. These affordability restrictions terminate upon the expiration of the Affordability Period.
  - d. During the Affordability Period the property will be sold for a price which does not exceed the total estimated mortgage expense (including principal interest, taxes and insurance) for a qualified purchaser of 120% of the Area Median Income (AMI) for the area, as determined by HUD.

The full Declaration is available for review prior to the closing and may be requested by contacting Anoka County Community Development at 763-323-5764.

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**Applicant Signature**

**Date**

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**Co-Applicant Signature**

**Date**

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## Government Monitoring

The information being requested below is for determining compliance with federal equal credit opportunity, fair housing and home mortgage disclosure law. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate on the basis of this information, or on whether you choose to furnish the information. If you choose not to furnish this information and you have made the application in person, we are required to note ethnicity, race and sex on the basis of visual observation or surname. Please check below if you choose not to furnish this information.

Date of Application: \_\_\_\_\_

Applicant	Co-Applicant
<b>Applicant Name:</b>	<b>Co-Applicant Name:</b>
<input type="checkbox"/> I do not wish to furnish this information	<input type="checkbox"/> I do not wish to furnish this information
<b>Ethnicity: (select only one)</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>Ethnicity: (select only one)</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>Gender:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female	<b>Gender:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female
<b>Race: (select one or more)</b> <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial	<b>Race: (select one or more)</b> <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaska Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander <input type="checkbox"/> American Indian/Alaska Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaska Native & Black/African American <input type="checkbox"/> Other Multi Racial

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Co-Applicant Signature

### This Section for Anoka County's Use Only

Application received by:  Mail  Face-to-face Interview  Telephone

Staff Name: \_\_\_\_\_ Date: \_\_\_\_\_

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## Data Privacy

### NSP Invest in Neighborhood Program NOTICE OF RIGHTS CONCERNING THE INFORMATION YOU SUPPLY TO ANOKA COUNTY COMMUNITY DEVELOPMENT

In accordance with the Minnesota Government Data Practices Act (“MGDPA”), Anoka County (“County”) is required to inform you of your rights as they pertain to private information collected from you. Private data is that information held by the county that is available to you, but not to the public.

The private data collected from you, or from other agencies or individuals authorized by you, is used to determine your eligibility for the NSP Invest in Neighborhood program assistance from Anoka County. You are not required to provide information relating to your marital status, race, ethnicity, or citizenship, but it is requested for federal reporting, statistical information and monitoring purposes. All other information is required to determine your eligibility for assistance from the county. If you choose not to supply the required information, Anoka County will not be able to determine your eligibility for this program.

The dissemination and use of private data the county collects is limited to that necessary for the administration and management of the NSP Invest in Neighborhood program. Persons or agencies with whom this information may be shared are:

1. Anoka County personnel involved in administering the NSP program;
2. Authorized personnel from the United States Department of Housing and Urban Development;
3. Federal, state, local and contracted auditors;
4. Law enforcement personnel in the case of suspected criminal activity; and,
5. Those individuals or agencies to which you give your express written permission for release of information.

Unless otherwise authorized by state or federal law, other government agencies utilizing the reported private data must also treat the information as private.

You may wish to exercise your rights as contained in the MGDPA. Those rights include:

1. The right to see and obtain copies of the data maintained on you.
2. The right to be told the contents and meaning of the data.
3. The right to contest the accuracy and completeness of the data.

I have read and understand the above information regarding my rights relative to the collection of personal data for government programs.

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Applicant

Date

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Co-Applicant

Date

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## Authorization to Release Information

I have applied for a loan or grant through Anoka County Community Development. As part of the application process, employees of Anoka County may verify information contained in my/our loan or grant application and in other documents required in connection with the loan, including, but not limited to employment history, income; bank, money market and other financial account balances; credit history; copies of income tax returns and property information.

A copy of this authorization may be accepted as an original.

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**Applicant (Print Name)**

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**Social Security Number**

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**Date**

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**Signature**

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**Co-Applicant (Print Name)**

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**Social Security Number**

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**Date**

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**Signature**

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## Subordination Disclosure

**If you wish to refinance your home or take out a home equity loan in the future, please review carefully!**

FYI: Anoka County's rehab lien is, by state law, considered a "special mortgage" and, as such, the homeowner may be required to attend debt counseling as part of the refinance process.

The County records liens on property according to the date they were filed. The older the date the higher the payoff position. Usually, the primary mortgage is in 1st position, the next lien in order of date is in 2nd position, and so on. If you chose to sell or refinance your property, whatever is left over after payment of all liens on the property is considered "equity" for the homeowner.

All lenders want to be in the highest payoff position possible because they have a better chance of being fully repaid. As a result, the lender you use to refinance your current mortgage or to obtain a home equity loan may approach the holder of your existing lien (in this case, Anoka County) to request that they subordinate, or allow the new loan to take a higher payoff position than the county's existing lien. For Anoka County to agree to subordinate, certain requirements as noted below must be met.

1. **Subordination Requests** - Requests for subordination of an Anoka County lien will be considered after the lender has completed and submitted a Subordination Request form (Anoka County will provide upon request) which includes the following:
    - a. The reason for the subordination.
    - b. Info on all active loan(s) including: current balance, term, interest rate and whether the rate is fixed or adjustable.
    - c. The amount of the new loan, the term, interest rate and whether the rate is fixed or adjustable.
    - d. The full name of the lending institution as it would appear on the subordination, if granted.
    - e. A copy of the prepared title work which shows any other lien/s secured by the property.
    - f. A copy of the current property appraisal.
    - g. A copy of the Good Faith Estimate signed and dated by the applicant/s.
    - h. Income verification.
    - i. Upon closing, submit a completed HUD-1 (Closing Statement) form signed by applicant/s.
  2. **Approved Costs and Liens**
    - a. Borrowers shall be allowed to include reasonable closing costs and settlement costs to the extent typical in the industry for a new mortgage.
    - b. Only existing mortgages that were originated prior to the Anoka County Lien may be included in the new mortgage.
  3. **Denial of Subordination Requests** - Anoka County will not subordinate its lien in situations including, but not limited to:
    - a. The proposed mortgage does not conform to current State of Minnesota lending practices as regulated by Minnesota Statutes 58 et seq.
    - b. Mortgages using more than 40% of the gross monthly household income towards P.I.T.I (principal, interest, taxes & insurance). If taxes and insurance are not included in the monthly mortgage payment, Anoka County will divide annual costs by 12 months and add to the proposed monthly payment to determine payment to income ratio.
    - c. Consolidation of mortgages originated after the Anoka County lien.
    - d. If the annual household income exceeds 80% of the area median income.
    - e. The borrower is receiving cash back from the mortgage company or other source as a result of the refinance.
    - f. The funds secured by the proposed new mortgage are being provided for consolidation and payoff of personal debts of the borrower or another.
    - g. The borrower is delinquent, or in arrears, on payment of their real estate taxes, federal or state income tax, or bankruptcy payments.
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- h. The county's payoff position moves to 3rd or lower than it currently is.
  - i. Reverse Mortgages will not be subordinated.
  - j. Down Payment Assistance and NSP Incentive Fund Assistance received from Anoka County will not be subordinated.

**4. Subsequent Subordination Requests** - Subordination requests are handled on a case-by-case basis. If a subordination is granted, only one per property will be allowed.

**5. Processing Subordinations**

- a. Please allow a minimum of ten (10) working days for the county to process requests for subordinations. The 10-day minimum starts once the county has received the required documentation from the party requesting the subordination.
- b. Subordination requests will be processed by the Community Development department staff, who will then submit the request, with a recommendation for action, to the Division Manager. The Division Manager will approve or deny all requests for subordination.

**6. Satisfaction of Mortgage/Agreement**

If the property is being sold or if the subordination is denied and the client wants to continue the refinance, the county's lien must be paid in full. Upon request, the county will provide a payoff statement to the lender or title company. At closing, a payoff check should be cut and delivered to Anoka County. A Satisfaction of Agreement will be drafted and recorded on the property. The recorded Satisfaction of Agreement removes the existing Anoka County lien from the property.

I have read the Anoka County Subordination Policy and understand the requirements that apply should I choose to refinance or obtain a new mortgage on my property.

I understand what a Satisfaction of Mortgage/Agreement is and how it applies to me if I do not qualify for a subordination or choose to sell my home.

\_\_\_\_\_  
**Signature**

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

\_\_\_\_\_  
**Signature**

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

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## Signature Page

I/We hereby submit the information contained in the attached Application, Uniform Residential Loan Application, tax returns, and other furnished documents to be considered for the Anoka County NSP Invest in Neighborhood program. I/We read, completed all forms in connection with this application. I/We understand that any discrepancy or omissions in the information I/we have provided may disqualify me/us from participation in the program. If such discrepancies or omissions are discovered after any loan is approved or granted to me/us, I/we understand that any outstanding loan balance may immediately become due and payable.

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

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

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

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

*WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.*