



Office of Economic and
Community Development

THE CITY OF SCRANTON

LACKAWANNA COUNTY, PENNSYLVANIA

Scranton Municipal Building

Office of Economic and Community Development

340 North Washington Avenue

Scranton, Pennsylvania 18503

570-348-4216



2013

HOMEBUYERS PROGRAM APPLICATION PACKET

CHRISTOPHER A. DOHERTY
MAYOR

City of Scranton's Office of Economic and Community Development
Scranton Municipal Building
340 North Washington Avenue
Scranton, Pennsylvania 18503
PHONE: 570/348-4216

City of Scranton's
HOMEBUYERS PROGRAM

INTRODUCTION

Not only does the Homebuyers Program help qualified buyers purchase homes by providing a subsidy of up to 1/2 of the down payment (maximum match dollar to dollar not to exceed \$7,000) or 10% of the purchase price of the home, whichever is less, using HOME funds and all eligible closing costs up to \$5,000 maximum, it also stimulates the economy by creating jobs, thereby contributing to wages and enhancing local tax bases.

Financial assistance for this program is federally funded. The federal government sets certain and/or approves certain requirements of the program. These requirements include maximum purchase prices, income limits, homebuyer requirements, and resale conditions.

This Homebuyers Program Description will introduce you to the program. Please take your time and read it and the Homebuyers Flow chart thoroughly.

ARE YOU ELIGIBLE

To obtain financial assistance, your annual gross household income must not exceed the 2013 limits shown below:

<u>Household Size</u>	<u>Income Limit</u>
1 Person	\$33,150
2 Person	\$37,900
3 Person	\$42,650
4 Person	\$47,350
5 Person	\$51,150
6 Person	\$54,950
7 Person	\$58,750
8 Person	\$62,550

Household income is the total anticipated **gross** annual income for the next twelve months, of **all** persons **who will be living** in the household. This calculation is based on household income as of the date of application, and does not include income received by full-time students in excess of \$480, unless the full-time student is the applicant purchasing the home. Please note you must meet the eligibility limits on the chart above, on the day of the closing or the day of occupancy, which ever is later.

**City of Scranton's Office of Economic and Community Development
Scranton Municipal Building
340 North Washington Avenue
Scranton, Pennsylvania 18503**

**City Of Scranton's
HOMEBUYERS PROGRAM**

PLEASE READ AND REMEMBER THE FOLLOWING:

1. Single family homes, vacant homes, and new construction starts are eligible.
2. Two to four family properties, which are vacant, by the tenant purchasing the property, or are owner occupied.
3. Prior to entering a final contract of sale, the seller must be notified in writing of the following:
 - a.) That the buyer does not have the power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement.
 - b.) That the fair market value of the property must be known as determined by an appraisal of the property. Note: You (the buyer) are permitted to negotiate a sale price below fair market value.
 - c.) The buyer must consult with the City of Scranton before executing a purchase contract to ensure that the above disclosures were made in a timely manner and that the property is appraised. (The property will be inspected by The City of Scranton for Housing Quality Standards **after** loan approval by the bank). **We do not inspect homes on pre-approvals.**

If the seller executes an option or contract of sale before he/she is informed of the property's fair market value and the fair market value is more than the option/contract price, the seller must be provided the opportunity to withdraw from the option or contract after the appropriate disclosures (listed above and including an appraisal) have been made. Therefore, it is of the utmost importance to avoid any dispute and to provide to the seller early written notice that you (the buyer) do not have the power of eminent domain and that he/she (the seller) does not qualify for the Uniform Relocation Act (U.R.A.) Relocation Assistance.

The avoidance of tenant occupant properties will also not necessitate U.R.A. Relocation Assistance since the units will be either owner occupied, tenant purchaser occupied, or vacant. Therefore, we are not encouraging purchase of tenant occupied buildings.

HOME BUYERS ASSISTANCE PROGRAM DESCRIPTION

Homeownership has become an increasingly unattainable goal for many families, especially for low-income families. HOME Program funds will be used to help make the "American Dream" a reality for income eligible families.

Overview

HOME Program funds will be used for acquisition of existing homes or new home construction for eligible homebuyers as follows:

Homebuyers' funds will be available for:

1. Down Payment Assistance - 1/2 match dollar for dollar of the required down payment (not to exceed \$7,000) or 10% of the purchase price, whichever is less.
2. Eligible Closing Costs - \$5,000 maximum.

Eligible applicants must:

Be income eligible, that is, the purchaser must have a gross annual income (based upon household size) that does not exceed 80 percent of median income for Scranton.

A "Homebuyer" is defined as: A household that does not own a home or another home at the time (date) of closing (purchase) with HOME funds.

Income Eligibility

The purchasing household must be income eligible at either:

the time the household initially occupies the property,
OR
at the time the HOME funds are invested (the time of closing)

WHICHEVER IS LATER!

Verification of income eligibility is good for a period of 6 months. Consequently, in order to assure that a prospective homebuyer is income eligible, the income should be verified early in the application process. An update of the homebuyer's income will only be necessary if more than 6 months has transpired from initial verification to occupancy of the property.

Please note: even though you have received a pre-approval letter from the City of Scranton you still must be income eligible on the day of closing or the day you occupy the property. If you receive a raise after the pre-approval and before the closing, which would make you over income, you would be ineligible for our program.

Principal Residence

The purchasing household must use the property as its principal residence.

The loan documents (Promissory Note) between the purchaser and the City will also incorporate this requirement.

- Purchaser(s) must move into the home within 30 days of closing.
- Temporary subleases are not allowed.
- Any violation of the principal residency requirement will automatically trigger repayment of the City of Scranton subsidy.

Eligible Property Types

The HOME Program offers broad discretion in the types of properties that can be used in the homebuyers program.

The property can be PRIVATELY or PUBLICLY held prior to sale to the homebuyers.

The property may be either new construction or an existing home.

Any property which will serve as the purchaser's principal residence, including:

Single family property (one unit) (vacant or owner occupied)

A two to four-unit property. (vacant, - unless the purchaser is a tenant, and/or one of the units of the property is owner occupied) and to become vacant immediately after settlement (closing).

Property Standards

New Construction or Acquisition - Property must meet the Section 8 Housing Quality Standards (HQS) at time of initial occupancy. Also a visual Lead Hazard Assessment must be conducted at the time of the HQS inspection.

Acquisition and Rehabilitation - Where rehabilitation to the property is needed:

At time of initial occupancy, the property must be free from any defects that pose a danger to the health or safety of occupants; and

Within 2 years of property transfer to the first-time homebuyer, the property must meet Housing Quality Standards (HQS).

Resale Restrictions and Long Term Affordability

There are NO HOME Program requirements that:

Require the homebuyer to remain low-income after closing on the property.

The monthly housing costs (principal, interest, property taxes and insurance - PITI) be affordable at time of purchase using fixed thresholds (i.e. 30 percent).

BUT, there are requirements that relate to resale. (See Diminishing Subsidy below):

Upon resale, within the five year period, the HOME funds provided to the original purchaser must be repaid to the City of Scranton (adjusted according to the deduction table).

Diminishing Subsidy

An arrangement is made in which the City subsidy is forgiven over the required period of affordability of 5 years for existing housing.

For example, if an assisted homeowner wishes to sell his existing home after the 3rd year of occupancy, then 3/5ths of the subsidy is forgiven and 2/5ths is due upon sale or transfer of the property.

Enforcing Homebuyers Provisions

There are two provisions of the Homebuyers Programs that require a means of enforcement:

- The home **must** be the Homebuyer's Principal residence
- AND
- A (mortgage and promissory note) covenant will be used to ensure that the homebuyer retains the property as a "principal residence".

Refinancing

The City of Scranton will not subordinate its lien position unless the owner is obtaining financing for home repairs or to obtain a lower interest rate on their original mortgage.

Both husband and wife must be on the Note, Mortgage, and other required documents.
Also both husband and wife must be on financial institutions Note, Deed and Mortgage.

If divorced, a copy of divorce decree must be given to The City of Scranton. The City of Scranton has the right to refuse or approve any application.

OUTLINE OF HOME FUNDED HOMEBUYERS PROGRAM

Eligible Owners:	Low income (less than 80% of median income) Principal residency								
Eligible Property Type:	Private owned and up to 4 unit property								
Uses of funds:	Acquisition New construction								
Rehabilitation Standard:	Housing Quality Standards (HQS) at a minimum Complete within 2 years to HQS if acquisition and rehabilitation								
Property Cost Limits:	<table><tr><td>1 Family</td><td>\$115,558</td></tr><tr><td>2 Family</td><td>\$147,937</td></tr><tr><td>3 Family</td><td>\$178,824</td></tr><tr><td>4 Family</td><td>\$222,234</td></tr></table>	1 Family	\$115,558	2 Family	\$147,937	3 Family	\$178,824	4 Family	\$222,234
1 Family	\$115,558								
2 Family	\$147,937								
3 Family	\$178,824								
4 Family	\$222,234								
Ownership Interest:	Fee simple (Surface rights only) (Not mineral rights)								
Resale Restrictions:	The City of Scranton will be repaid federal funds depreciated per outlined above.								

Two - Four Unit Properties: If you are purchasing a two, three, or four unit rental property, you will be subsidized only for the owner-occupied unit which will be based on the square footage values contained in the appraisal of the property to be acquired. (For example, if you are purchasing a duplex and qualify for a \$7,000.00 down payment subsidy but the owner's unit is 50% of the home's square footage, the down payment assistance would be \$3,500.00 (50% of \$7,000.00). The City of Scranton will also pay all eligible closing costs up to \$5,000.00. Existing tenants cannot be evicted from the property as a direct result of the acquisition.

The City of Scranton's Homebuyers Program
STEPS TO BECOMING A "HOMEOWNER"

1. Return Application to the City of Scranton's Office of Economic and Community Development. (Business hours - Monday - Friday, 8:00 a.m. to 4:30 p.m. Location – **Scranton Municipal Building, OECD, 340 North Washington Avenue Scranton, PA 18503** - Phone: **(570) 348-4216**) Be sure to bring items that pertain to you on the "Check Off" list enclosed with the application. City of Scranton staff will be happy to make copies of your documents at our office. Please be sure that your application, and all income tax returns, are signed by the applicant and co-applicant.
2. A City of Scranton staff member will review your application and verify your income for eligibility.
3. You will receive a "Conditional Letter of Approval" or disapproval letter from the City of Scranton based on your income eligibility. Approval time depends on your timeliness to return the required paperwork to the City of Scranton. **This is not a mortgage loan approval. Upon receipt of an approval letter and prior to signing an agreement of sale, contact Neighborhood Housing Services (NHS) at 570-558-2490 or United Neighborhood Centers of Northeastern PA (UNC) at 570-343-8835 to schedule an appointment for the Homeownership Workshop. This class is mandatory for participation in the Homebuyers Program.**
4. You may then find an eligible home in the City of Scranton. After you and the seller agree on the price of the home, seek out mortgage lenders of your choice.
5. Applicant contacts the City of Scranton's Office of Economic and Community Development and advises them of the location of home, price, type of home, and the name of the institution where you are applying for a mortgage.
6. Applicant applies for a mortgage at the financial institution of your choice. **No City of Scranton employee can or will recommend any financial institution.**
7. **Financial institution performs verification of applicants' employment, income, debts, and arranges for an appraisal of home. OECD WILL NOT ACCEPT "NO INCOME" VERIFICATION MORTGAGES. YOU MUST BE APPROVED ON YOUR INCOME. IF MARRIED, IT IS REQUIRED THAT BOTH HUSBAND AND WIFE BE ON THE BANK'S NOTE, DEED AND MORTGAGE.**
8. Financial institution notifies applicants of approval or rejection of application in writing.
9. **After receiving written approval from a bank, the applicant** provides the bank with OECD's pre-approval letter and asks them to immediately contact OECD to arrange for a copy of the bank file (income verification, assets, debts, credit report, appraisal, etc.) to be sent to OECD and for a City home inspection of the property. The home must pass the inspection in accordance with Housing Quality Standards/BOCA (HQS). **The City of Scranton NO LONGER provides a pest inspection. The City will not inspect the home until you get a mortgage commitment in writing (this does not mean pre-approvals).**
10. When the closing date is set, The City of Scranton will draw down federal funds for the down payment and closing costs from the U.S. Treasury through U. S. Dept. Of Housing and Urban Development. **OECD requires at least three (3) working days after receiving final figures from bank, lawyer or abstract company to receive funds into our account from HUD.**
11. On the day of closing, applicant makes arrangements with OECD to come to OECD's office one (1) hour **before closing**, and sign the Mortgage Lien, Promissory Note, and other required documents.
12. The applicant must supply OECD and the financial institution with a copy of the Homeowner's Fire Insurance Policy and The City of Scranton must be listed as a mortgagee/loss payee on the policy for five (5) years. Second Mortgage should be listed as follows:
City of Scranton-Office of Economic and Community Development
Scranton Municipal Building
340 North Washington Avenue, Scranton, PA 18503
13. OECD staff member attends the closing, brings the check payable to the applicant to cover eligible closing costs and down payment. After OECD staff member is sure all documentation at closing is in order, applicant endorses back of check and turns check over to the disperser of all funds
14. The financial institution's mortgage lien is in the first position and The City of Scranton's mortgage lien is filed in the second position at the Lackawanna Court House

CLOSING IS OVER AND YOU ARE NOW A NEW HOMEOWNER IN THE CITY OF SCRANTON.
CONGRATULATIONS!!!!!!!!!!!!

PRE-APPLICATION WORKSHEET

All information will be held confidential! Return pre-application to the above address within 10 days.

1. Applicant _____ S.S.# _____ Age _____

Co-Applicant _____ S.S.# _____ Age _____

Mailing Address _____ Zip _____

Phone: (_____) _____ (Home) Phone: (_____) _____ (Work)

2. Martial Status: Single _____ Married _____ Divorced _____ Separated _____
 Living with a significant other _____

Is your martial status changing within the next 12 months? Yes _____ No _____

3. Persons living in household besides above applicant(s): (list additional people on back)

Name: _____ S.S.# _____ Age _____

Name: _____ S.S.# _____ Age _____

Name: _____ S.S.# _____ Age _____

4. Please list all wage earners and income in household 18 years or older except all full-time students residing in household. Please include all income (i.e., Employer, Social Security, SSI, Welfare, Child Support, Alimony, Pension)

Name	Name of Employer (or other)	Number of year employed	Gross Salary

5. Total household gross annual income received from all sources \$ _____.

6. Has Applicant/Co-Applicant ever owned a property (i.e., home/mobile home)? Yes ___ No ___
 If yes, date sold: _____

7. Are your assets over \$5,000.00(i.e. savings, investments, C.D.s, etc.)? Yes _____ No _____
 If yes, what is value of assets? _____

8. Amount of funds available for deposit and down payment on purchase of house? \$ _____
 Exact source of down payment (i.e., bank, gift, name, address, and phone of person giving money as loan or gift) _____

TO THE BEST OF MY/OUR KNOWLEDGE, THE INFORMATION SUPPLIED TO YOU FOR THE COMPLETION OF THIS FORM IS TRUE AND ACCURATE. ANY FALSE STATEMENTS MADE KNOWINGLY AND WILLFULLY MAY SUBJECT THE SIGNER(S) TO PENALTIES UNDER SECTION 1001 AND 1010 OF TITLE 18 OF THE UNITED STATES CODE

Applicant _____ Date _____ Co-Applicant _____ Date _____

City of Scranton
Office of Economic and Community Development

PLEASE READ CAREFULLY

The following documentation below **MUST BE INCLUDED** with your application to determine your income eligibility. Please return **ALL** completed **signed** forms in person to the City of Scranton's Office of Economic and Community Development, Scranton Municipal Building, 340 North Washington Avenue, Scranton, Pa 18503 between the hours of 8:00 a.m. and 4:30 p.m. OECD will make copies of all originals. You will be receiving more income verification forms after we receive your application. **ALL FORMS NOT FILLED OUT CORRECTLY WILL BE RETURNED.**

_____ Last two years **signed** income tax return (all 1040's, W-2's, bank interest, 1099's, etc.) **PLEASE BE SURE ALL PARTIES SIGN THE TAX RETURN OR IT WILL NOT BE ACCEPTED!**

_____ **Pay stubs** for last two months (any documentation stating income amounts for all persons over 18 years of age living in the home excluding full-time students not purchasing the home)

_____ **Welfare, food stamps** documentation (Food stamps are not included in determining income, however, we need to verify receipt of benefits)

_____ **Unemployment documentation** (check stub and computer un-off sheet from Unemployment Office is needed)

_____ **Social Security documentation** (yearly letter from Social Security, end of the year statement, and computer run-off sheet from Social Security)

_____ **Pension documentation**

_____ **Bank Statements** – most recent **two months** statements on **all** checking, savings, stocks, and bonds, money markets, certificates of deposit, etc.

_____ **Child Support** - Court statement and computer run-off sheet from Domestic Relations for all children.

_____ **Veterans Benefits**

_____ **Black Lung**

_____ **Divorce Decree and Settlement**

_____ If owned a property previously, copy of **CLOSING DOCUMENTATION**

_____ Any full-time student age 18 and older (except the applicant) **MUST** have letter from college stating the status as a full-time student and **SHOWING NUMBER OF CREDITS** being taken during the current semester.

_____ Life Insurance Policies.

The City of Scranton's Homebuyer Program

INFORMATION GENERAL RELEASE FORM

I (We), _____, hereby authorize the City of Scranton to obtain and receive all records and information pertaining to eligibility for the housing assistance programs, including employment, income (including IRS returns), credit, residency and banking information from all persons, companies, or firms holding or having access to such information. This authorization hereby gives the City of Scranton the right to request all information that I (We) can or could obtain from any persons, company, or firm on any matter referred to the above. I (We) agree to have no claim for defamation, violation of privacy, or otherwise against any person or firm or corporation by reason of any statement or information releases by them to the City of Scranton for the purposes of the program. The term of this authorization shall commence on the date of signature and be in force for a period of five (5) years.

Signature _____

Signature _____

Address _____

Date _____

Information for Government Monitoring Purposes

The following information is requested by the federal Government, in order to monitor the Agency's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that an Agency may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under federal regulations this Agency is required to note race and sex on the basis of visual observation or surname. If you do wish to furnish the above information, please check the box below. (The agency must review the above material to assure that the disclosures satisfy all requirements to which the Agency is subject under applicable state law for the particular type of loan on this application.)

Applicant:

- I do not wish to furnish this information Race/National Origin
- White
- Black or African American
- Asian
- American Indian or Alaska Native
- Native Hawaiian or Other Pacific Islander
- American Indian or Alaskan Native & White
- Asian & White
- Black or African-American & White
- American Indian or Alaskan Native & Black or African American
- Other Multi-Racial

Hispanic?

- Yes
- No

Are you currently living in subsidized housing?

- Yes
- No

Sex:

- Female
- Male

Does anyone in your household currently have a physical or mental disability?

- Yes
- No

Co-Applicant:

- I do not wish to furnish this information Race/National Origin
- White
- Black or African American
- Asian
- American Indian or Alaska Native
- Native Hawaiian or Other Pacific Islander
- American Indian or Alaskan Native & White
- Asian & White
- Black or African-American & White
- American Indian or Alaskan Native & Black or African American
- Other Multi-Racial

Hispanic?

- Yes
- No

Are you currently living in subsidized housing?

- Yes
- No

Sex:

- Female
- Male

Does anyone in your household currently have a physical or mental disability?

Yes

No

City of Scranton's Homebuyer Program

STATEMENT OF INCOME (Monthly)

Note: all GROSS income must be documented for "EVERYONE" in the household!

APPLICANT'S NAME: _____

ADDRESS: _____ Zip _____

PHONE: _____

This is to certify as to income I (We) receive from the following sources: MONTHLY

	SELF	OTHER
1. Employment (<u>GROSS BEFORE Taxes/Deductions</u>)	\$ _____	\$ _____
2. Pension (Retirement)	\$ _____	\$ _____
3. Veterans' Pension	\$ _____	\$ _____
4. State Aid Benefits (Welfare, Food Stamps, Medical Assistance)	\$ _____	\$ _____
5. Social Security, SSI, SSD, (Adults & Child)	\$ _____	\$ _____
6. Child Support	\$ _____	\$ _____
7. Alimony	\$ _____	\$ _____
8. Unemployment	\$ _____	\$ _____
9. Workmen's Compensation	\$ _____	\$ _____
10. Black Lung	\$ _____	\$ _____
11. Rental Income	\$ _____	\$ _____
12. Interest from all sources (any accounts that accrued interest)	\$ _____	\$ _____
13. Other - Explain	\$ _____	\$ _____
<u>TOTAL Monthly Income</u>	\$ _____	\$ _____

Applicant Date Co-Applicant Date

PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S.C. 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 make or uses any false writing or document knowing the same to contain any false,

fictitious or fraudulent statement or entry, shall be fined not more than \$10,000.00 or imprisoned not more than five years, or both"

HOUSING PROGRAM

HOUSEHOLD INCOME CERTIFICATION

The purpose of this certification is to establish the total **GROSS income (before taxes)** of permanent members of the household.

I/We certify that the following is the gross monthly income of permanent residents who will be living at this property.

"Household" means **ALL** the persons who will occupy the housing unit being purchased. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (24CFR 570.3N)

"Low Income Household" means a household having an income equal to or less than the Section 8, low-income limit established by HUD.

NAME	AGE	MONTHLY INCOME (from all sources)
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
TOTAL INCOME (for all permanent members of the household)		\$ _____

Applicant's Signature

Date

Applicant's Signature

Date

ASSET QUESTIONNAIRE

Check One

- 1. Do you now have any ownership in any property? _____Yes _____No
- 2. Do you have any savings and/or checking account? _____Yes _____No
- 3. Do you have any stocks, bonds, savings certificates, money market funds or other investment accounts? _____Yes _____No
- 4. Do you have any trusts that are available to the household members? _____Yes _____No
- 5. Do you have any IRA accounts, Keogh or similar retirement savings accounts that are not with your employer? _____Yes _____No
- 6. Do you make contributions to a company retirement plan or pension funds that can be withdrawn without retiring or terminating employment? _____Yes _____No
- 7. Do you have access to any assets although owned by more than one person? _____Yes _____No
- 8. Do you receive any lump sum such as inheritances, capital gains, lottery winnings, insurance settlements, or other claims? _____Yes _____No
- 9. Do you have any personal assets held as an investment such as gems, jewelry, coin collections, antique cars, etc. _____Yes _____No
- 10. Do you have life insurance other than term insurance with your employer? _____Yes _____No
- 11. Have you disposed of any assets within the past 2 years for less than fair market value? _____Yes _____No

TO THE BEST OF MY/OUR KNOWLEDGE, THE INFORMATION SUPPLIED TO YOU FOR THE COMPLETION OF THIS FORM IS TRUE AND ACCURATE. ANY FALSE STATEMENTS MADE KNOWINGLY AND WILLFULLY MAY SUBJECT THE SIGNER(S) TO PENALTIES UNDER SECTION 1001 AND 1010 OF TITLE 18 OF THE UNITED STATES CODE.

Applicant

Date

Co-Applicant

Date



Office of Economic and Community Development

HOME PROGRAM CONFLICT OF INTEREST QUESTIONNAIRE

"Home Program" refers to the funding program created under federal law (42 United States Code Sec. 12701, et seq.) whereby the United States Department of Housing and Urban Development ("HUD") allocates funds to the City of Scranton ("CITY") to expand the supply of decent, safe, sanitary and affordable housing for low-income families. The purpose of this questionnaire is to comply with the HUD regulations regarding possible conflict of interest (24 CODE of Federal Regulations Sec. 92.356).

A. Are you:

- 1. An Employee of the City of Scranton YES NO Initial
2. An Agency of the City of Scranton YES NO Initial
3. Consultant for the City of Scranton YES NO Initial
4. Officer of the City of Scranton YES NO Initial
5. Elected Officer of the City of Scranton YES NO Initial
6. Appointed official of the City of Scranton YES NO Initial
7. A public agency or nonprofit organization Selected by the City of Scranton to administer The HOME Program on behalf of the City Of Scranton YES NO Initial

B. Do you:

- 1. Exercise HOME Program functions or Responsibilities YES NO Initial
2. Have you exercised HOME Program Functions or responsibilities in the past One (1) year YES NO Initial
3. Hold or are you in a position to participate In HOME Program decision-making YES NO Initial
4. Have you access to gain inside information Regarding HOME Program activity YES NO Initial

C. Do any of the above categories in A and B apply to:

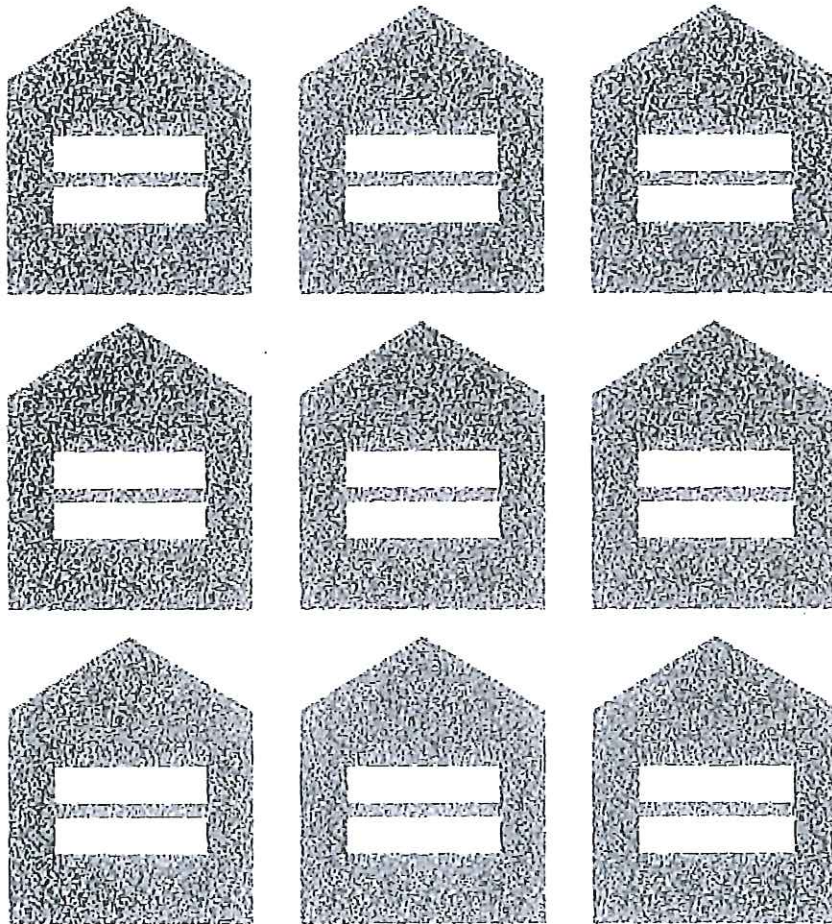
- 1. You YES NO Initial
2. A family member, i.e. spouse, parent (including steps), child (including steps), Brother or sister (including steps), grandparents, Grandchild YES NO Initial
3. A business associate YES NO Initial

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity



Fair Housing

Equal Opportunity for All



Please visit our website: www.hud.gov/fairhousing

Fair Housing - Equal Opportunity for All

America, in every way, represents equality of opportunity for all persons. The rich diversity of its citizens and the spirit of unity that binds us all symbolize the principles of freedom and justice upon which this nation was founded. That is why it is extremely disturbing when new immigrants, minorities, families with children, and persons with disabilities are denied the housing of their choice because of illegal discrimination.

The Department of Housing and Urban Development enforces the Fair Housing Act and the other federal laws that prohibit discrimination and the intimidation of people in their homes, apartment buildings, and condominium developments - and nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.

Equal access to rental housing and homeownership opportunities is the cornerstone of this nation's federal housing policy. Landlords who refuse to rent or sell homes to people based on race, color, national origin, religion, sex, familial status, or disability are violating federal law, and HUD will vigorously pursue them.

Housing discrimination is not only illegal, it contradicts in every way the principles of freedom and opportunity we treasure as Americans. The Department of Housing and Urban Development is committed to ensuring that everyone is treated equally when searching for a place to call home.

◆

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U.S. Department of Housing and Urban Development (HUD)
451 7th Street, S.W.
Washington, D.C. 20410-2000

The Fair Housing Act

The Fair Housing Act prohibits discrimination in housing because of:

- Race or color
- National origin
- Religion
- Gender
- Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18)
- Disability

What Housing Is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

What Is Prohibited?

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, religion, gender, disability, familial status, or national origin:

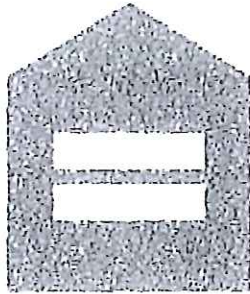
- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade, or try to persuade homeowners to sell or rent dwellings by suggesting that people of a particular race, etc. have moved, or are about to move into the neighborhood (blockbusting) or
- Deny any person access to, or membership or participation in, any organization, facility or service (such as a multiple listing service) related to the sale or rental of dwellings, or discriminate against any person in the terms or conditions of such access, membership or participation.

In Mortgage Lending: No one may take any of the following actions based on race, color, religion, gender, disability, familial status, or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan.

In Addition, it is a violation of the Fair Housing Act to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Make, print, or publish any statement, in connection with the sale or rental of a dwelling, that indicates a preference, limitation, or discrimination based on race, color, religion, gender, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.
- Refuse to provide homeowners insurance coverage for a dwelling because of the race, color, religion, gender, disability, familial status, or national origin of the owner and/or occupants of a dwelling
- Discriminate in the terms or conditions of homeowners insurance coverage because of the race, color, religion, gender, disability, familial status, or national origin of the owner and/or occupants of a dwelling
- Refuse to provide homeowners insurance, or imposing less favorable terms or conditions of coverage because of the predominant race, color, religion, gender, disability, familial status or national origin of the residents of the neighborhood in which a dwelling is located ("redlining")
- Refuse to provide available information on the full range of homeowners insurance coverage options available because of the race, etc. of the owner and/or occupants of a dwelling
- Make, print, or publish any statement, in connection with the provision of homeowners insurance coverage, that indicates a preference, limitation or discrimination based on race, color, religion, gender, disability, familial status or national origin.



Additional Protection If You Have a Disability

If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, cancer, chronic mental illness, AIDS, AIDS Related Complex, or mental retardation) that substantially limits one or more major life activities
- Have a record of such a disability or
- Are regarded as having such a disability, your landlord may not:
 - Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to fully use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)
 - Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing on an equal basis with nondisabled persons.

Example: A building with a "no pets" policy must allow a visually impaired tenant to keep a guide dog.

Example: An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near her apartment if necessary to assure that she can have access to her apartment.

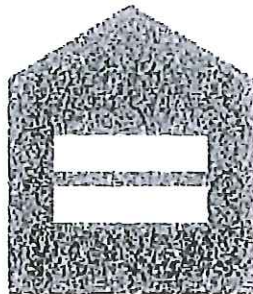
However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.

Accessibility Requirements for New Multifamily Buildings: In buildings with four or more units that were first occupied after March 13, 1991, and that have an elevator:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
 - An accessible route into and through the unit
 - Accessible light switches, electrical outlets, thermostats and other environmental controls
 - Reinforced bathroom walls to allow later installation of grab bars and
 - Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and was first occupied after March 13, 1991, these standards apply to ground floor units only.

These accessibility requirements for new multifamily buildings do not replace more stringent accessibility standards required under State or local law.



Housing Opportunities for Families with Children

The Fair Housing Act makes it unlawful to discriminate against a person whose household includes one or more children who are under 18 years of age (*"familial status"*). Familial status protection covers households in which one or more minor children live with:

- A parent;
- A person who has legal custody (including guardianship) of a minor child or children; or
- The designee of a parent or legal custodian, with the written permission of the parent or legal custodian.

Familial status protection also extends to pregnant women and any person in the process of securing legal custody of a minor child (including adoptive or foster parents).

Additional familial status protections:

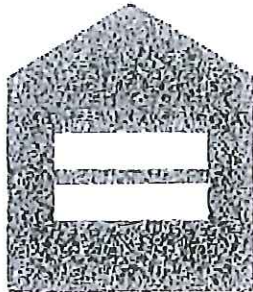
You also may be covered under the familial status provisions of the Fair Housing Act if you experience retaliation, or suffer a financial loss (employment, housing, or realtor's commission) because:

- You sold or rented, or offered to sell or rent a dwelling to a family with minor children; or
- You negotiated, or attempted to negotiate the sale or rental of a dwelling to a family with minor children.

The "Housing for Older Persons" Exemption:

The Fair Housing Act specifically exempts some senior housing facilities and communities from liability for *familial status* discrimination. Exempt senior housing facilities or communities can lawfully refuse to sell or rent dwellings to families with minor children, or may impose different terms and conditions of residency. In order to qualify for the "housing for older persons" exemption, a facility or community must prove that its housing is:

- Provided under any State or Federal program that HUD has determined to be specifically designed and operated to assist *elderly persons* (as defined in the State or Federal program); or



- Intended for, and solely occupied by persons *62 years of age or older*; or
- Intended and operated for occupancy by persons *55 years of age or older*.

In order to qualify for the "55 or older" housing exemption, a facility or community must satisfy each of the following requirements:

- at least *80 percent* of the occupied units must have at least one occupant who is 55 years of age or older; and
- the facility or community must publish and adhere to policies and procedures that demonstrate the *intent* to operate as "55 or older" housing; and
- the facility or community must comply with HUD's regulatory requirements for *age verification* of residents by reliable surveys and affidavits.

The "*housing for older persons*" exemption does not protect senior housing facilities or communities from liability for housing discrimination based on *race, color, religion, gender, disability, or national origin*. Further, "*55 or older*" housing facilities or communities that do permit residency by families with minor children cannot lawfully *segregate* such families in a particular section, building, or portion of a building.

If You Think Your Rights Have Been Violated

HUD is ready to help with any problem of housing discrimination. If you think your rights have been violated, you may write a letter or telephone the HUD office nearest you. You have one year after the discrimination allegedly occurred or ended to file a complaint with HUD, but you should file it as soon as possible.

What to Tell HUD:

- Your name and address
- The name and address of the person your complaint is against (the respondent)
- The address or other identification of the housing involved
- A short description of the alleged violation (the event that caused you to believe your rights were violated)
- The date(s) of the alleged violation.

Where to Write or Call: Send a letter to the HUD office nearest you, or if you wish, you may call that office directly. The TTY numbers listed for those offices are not toll free. Or you may call the toll free national TTY hotline at 1-800-927-9275.

For Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont:

BOSTON REGIONAL OFFICE

(Complaints_office_01@hud.gov)

U.S. Department of Housing and Urban
Development

Thomas P. O'Neill Jr. Federal Building

10 Causeway Street, Room 308

Boston, MA 02222-1092

Telephone (617) 994-8300 or 1-800-827-5005

Fax (617) 565-7313 * TTY (617) 565-5453

For New Jersey and New York:

NEW YORK REGIONAL OFFICE

(Complaints_office_02@hud.gov)

U.S. Department of Housing and Urban
Development

26 Federal Plaza, Room 3532

New York, NY 10278-0068

Telephone (212) 542-7519 or 1-800-496-4294

Fax (212) 264-9829 * TTY (212) 264-0927

*For Delaware, District of Columbia, Maryland,
Pennsylvania, Virginia and West Virginia:*

PHILADELPHIA REGIONAL OFFICE

(Complaints_office_03@hud.gov)

U.S. Department of Housing and Urban
Development

The Wanamaker Building

100 Penn Square East

Philadelphia, PA 19107-9344

Telephone (215) 656-0663 or 1-888-799-2085

Fax (215) 656-3449 * TTY (215) 656-3450

*For Alabama, Florida, Georgia, Kentucky,
Mississippi, North Carolina, Puerto Rico,
South Carolina, Tennessee
and the U.S. Virgin Islands:*

ATLANTA REGIONAL OFFICE

(Complaints_office_04@hud.gov)

U.S. Department of Housing and Urban
Development

Five Points Plaza

40 Marietta Street, 16th Floor

Atlanta, GA 30303-2808

Telephone (404) 331-5140 or 1-800-440-8091

Fax (404) 331-1021 * TTY (404) 730-2654

*For Illinois, Indiana, Michigan, Minnesota,
Ohio and Wisconsin:*

CHICAGO REGIONAL OFFICE

(Complaints_office_05@hud.gov)

U.S. Department of Housing and Urban
Development

Ralph H. Metcalfe Federal Building

77 West Jackson Boulevard, Room 2101

Chicago, IL 60604-3507

Telephone (312) 353-7776 or 1-800-765-9372

Fax (312) 886-2837 * TTY (312) 353-7143

*For Arkansas, Louisiana, New Mexico,
Oklahoma and Texas:*

FORT WORTH REGIONAL OFFICE

(Complaints_office_06@hud.gov)

U.S. Department of Housing and Urban
Development

801 North Cherry, 27th Floor

Fort Worth, TX 76102-6803

Telephone (817) 978-5900 or 1-888-560-8913

Fax (817) 978-5876/5851 * TTY (817) 978-5595

Mailing Address:

U.S. Department of Housing and Urban
Development

Post Office Box 2905

Fort Worth, TX 76113-2905

For Iowa, Kansas, Missouri and Nebraska:

KANSAS CITY REGIONAL OFFICE

(Complaints_office_07@hud.gov)

U.S. Department of Housing and Urban
Development

Gateway Tower II,

400 State Avenue, Room 200, 4th Floor

Kansas City, KS 66101-2406

Telephone (913) 551-6958 or 1-800-743-5323

Fax (913) 551-6856 * TTY (913) 551-6972

*For Colorado, Montana, North Dakota,
South Dakota, Utah and Wyoming:*

DENVER REGIONAL OFFICE

(Complaints_office_08@hud.gov)

U.S. Department of Housing and Urban
Development

1670 Broadway

Denver, CO 80202-4801

Telephone (303) 672-5437 or 1-800-877-7353

Fax (303) 672-5026 * TTY (303) 672-5248

For Arizona, California, Hawaii and Nevada:

SAN FRANCISCO REGIONAL OFFICE

(Complaints_office_09@hud.gov)

U.S. Department of Housing and Urban
Development

600 Harrison Street, Third Floor

San Francisco, CA 94107-1387

Telephone (415) 489-6548 or 1-800-347-3739

Fax (415) 489-6558 * TTY (415) 489-6564

For Alaska, Idaho, Oregon and Washington:

SEATTLE REGIONAL OFFICE

(Complaints_office_10@hud.gov)

U.S. Department of Housing and Urban
Development

Seattle Federal Office Building

909 First Avenue, Room 205

Seattle, WA 98104-1000

Telephone (206) 220-5170 or 1-800-877-0246

Fax (206) 220-5447 * TTY (206) 220-5185

If after contacting the local office nearest you, you still have questions - you may contact HUD further at:

U.S. Department of Housing and Urban
Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W, Room 5204
Washington, DC 20410-2000
Telephone 1-800-669-9777
Fax (202) 708-1425 * TTY 1-800-927-9275

If You Are Disabled: HUD also provides:

- A TTY phone for the deaf/hard of hearing users (see above list for the nearest HUD office)
- Interpreters
- Tapes and braille materials
- Assistance in reading and completing forms

What Happens When You File A Complaint?

HUD will notify you in writing when your complaint is accepted for filing under the Fair Housing Act. HUD also will:

- Notify the alleged violator ("respondent") of the filing of your complaint, and allow the respondent time to submit a written answer to the complaint.
- Investigate your complaint, and determine whether or not there is reasonable cause to believe that the respondent violated the Fair Housing Act.
- Notify you and the respondent if HUD cannot complete its investigation within 100 days of filing your complaint, and provide reasons for the delay.

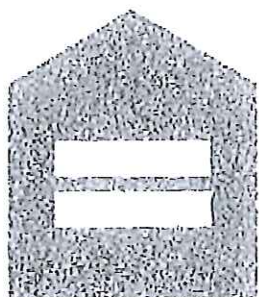


Fair Housing Act Conciliation: During the complaint investigation, HUD is required to offer you and the respondent the opportunity to voluntarily resolve your complaint with a HUD Conciliation Agreement. A HUD Conciliation Agreement provides individual relief for you, and protects the public interest by deterring future discrimination by the respondent. Once you and the respondent sign a HUD Conciliation Agreement, and HUD approves the Agreement, HUD will cease investigating your complaint. If you believe that the respondent has violated ("breached") your Conciliation Agreement, you should promptly notify the HUD Office that investigated your complaint. If HUD determines that there is reasonable cause to believe that the

respondent violated the Agreement, HUD will ask the U.S. Department of Justice to file suit against the respondent in Federal District Court to enforce the terms of the Agreement.

Complaint Referrals to State or Local Public Fair Housing Agencies: If HUD has certified that your State or local public fair housing agency enforces a civil rights law or ordinance that provides rights, remedies and protections that are *"substantially equivalent"* to the Fair Housing Act, HUD must promptly refer your complaint to that agency for investigation, and must promptly notify you of the referral. The State or local agency will investigate your complaint under the *"substantially equivalent"* State or local civil rights law or ordinance. The State or local public fair housing agency must start investigating your complaint within 30 days of HUD's referral, or HUD may retrieve ("reactivate") the complaint for investigation under the Fair Housing Act.

**Does the U.S.
Department of Justice
Play a Role?**

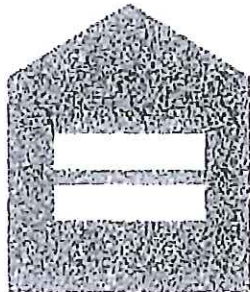


If you need immediate help to stop or prevent a severe problem caused by a Fair Housing Act violation, HUD may be able to assist you as soon as you file a complaint. HUD may authorize the U.S. Department of Justice to file a Motion in Federal District Court for a 10-day Temporary Restraining Order (TRO) against the respondent, followed by a Preliminary Injunction pending the outcome of HUD's investigation. A Federal Judge may grant a TRO or a Preliminary Injunction against a respondent in cases where:

- Irreparable (irreversible) harm or injury to housing rights is likely to occur without HUD's intervention, and
- There is substantial evidence that the respondent has violated the Fair Housing Act.

Example: An owner agrees to sell a house, but, after discovering that the buyers are black, pulls the house off the market, then promptly lists it for sale again. The buyers file a discrimination complaint with HUD. HUD may authorize the U.S. Department of Justice to seek an injunction in Federal District Court to prevent the owner from selling the house to anyone else until HUD investigates the complaint.

What Happens After A Complaint Investigation?



Determination of Reasonable Cause, Charge of Discrimination, and Election: When your complaint investigation is complete, HUD will prepare a Final Investigative Report summarizing the evidence gathered during the investigation. If HUD determines that there is reasonable cause to believe that the respondent(s) discriminated against you, HUD will issue a Determination of Reasonable Cause and a Charge of Discrimination against the respondent(s). You and the respondent(s) have Twenty (20) days after receiving notice of the Charge to decide ("elect") whether to have your case heard by a HUD Administrative Law Judge (ALJ) or to have a civil trial in Federal District Court.

HUD Administrative Law Judge Hearing: If neither you nor the respondent elects to have a Federal civil trial before the 20-day Election Period expires, HUD will promptly schedule a Hearing for your case before a HUD Administrative Law Judge. The ALJ Hearing will be conducted in the locality where the discrimination allegedly occurred. During the ALJ Hearing, you and the respondent(s) have the right to appear in person, to be represented by legal counsel, to present evidence, to cross-examine witnesses, and to request subpoenas in aid of discovery of evidence. HUD attorneys will represent you during the ALJ Hearing at no cost to you; however, you may also choose to intervene in the case and retain your own attorney. At the conclusion of the Hearing, the HUD ALJ will issue a Decision based on findings of fact and conclusions of law. If the HUD ALJ concludes that the respondent(s) violated the Fair Housing Act, the respondent(s) can be ordered to:

- Compensate you for actual damages.
- Provide permanent injunctive relief.
- Provide appropriate equitable relief (for example, make the housing available to you).
- Pay your reasonable attorney's fees.
- Pay a civil penalty to HUD to vindicate the public interest by discouraging future discriminatory housing practices. The maximum civil penalties are: **\$16,000.00** for a first violation of the Act; **\$37,500.00** if a previous violation has occurred within the preceding five-year period; and **\$65,000.00** if two or more previous violations have occurred within the preceding seven-year period.

Civil Trial in Federal District Court: If either you or the respondent elects to have a Federal civil trial for your complaint, HUD must refer your case to the U.S. Department of Justice for enforcement. The U.S. Department of Justice will file a civil lawsuit on your behalf in the U.S. District Court in the circuit in which the discrimination allegedly occurred. You also may choose to intervene in the case and retain your own attorney. Either you or the respondent may request a jury trial, and you each have the right to appear in person, to be represented by legal counsel, to present evidence, to cross-examine witnesses, and to request subpoenas in aid of discovery of evidence. If the Federal Court decides in your favor, a Judge or jury may order the respondent(s) to:

- Compensate you for actual damages.
- Provide permanent injunctive relief.
- Provide appropriate equitable relief (for example, make the housing available to you).
- Pay your reasonable attorney's fees.
- Pay punitive damages to you.
- Pay a civil penalty to the U.S. Treasury to vindicate the public interest, in an amount not exceeding **\$55,000.00** for a first violation of the Act and in an amount not exceeding **\$110,000.00** for any subsequent violation of the Act.



Determination of No Reasonable Cause and Dismissal: If HUD finds that there is no reasonable cause to believe that the respondent(s) violated the Act, HUD will dismiss your complaint with a Determination of No Reasonable Cause. HUD will notify you and the respondent(s) of the dismissal by mail, and you may request a copy of the Final Investigative Report.

Reconsiderations of No Reasonable Cause Determinations: The Fair Housing Act provides no formal appeal process for complaints dismissed by HUD. However, if your complaint is dismissed with a Determination of No Reasonable Cause, you may submit a written request for a reconsideration review to: Director, FHEO Office of Enforcement, U.S. Department of Housing and Urban Development, 451-7th Street, SW, Room 5206, Washington, DC 20410-2000.

In Addition

You May File a Private Lawsuit: Even if HUD dismisses your complaint, the Fair Housing Act gives you the right to file a private civil lawsuit against the respondent(s) in Federal District Court. You must file your lawsuit within two (2) years of the most recent date of alleged discrimination. The time during which HUD was processing your complaint is not counted in the 2-year filing period. You must file your lawsuit at your own expense; however, if you cannot afford an attorney, the Court may appoint one for you.

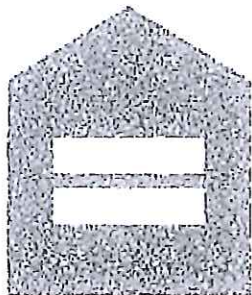
Even if HUD is still processing your complaint, you may file a private civil lawsuit against the respondent, unless: (1) you have already signed a HUD Conciliation Agreement to resolve your HUD complaint; or (2) a HUD Administrative Law Judge has commenced an Administrative Hearing for your complaint.

Other Tools to Combat Housing Discrimination:

- If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.
- The Attorney General may file a suit in Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring.

For Further Information:

The purpose of this brochure is to summarize your right to fair housing. The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD Fair Housing Office nearest you. See the list of HUD Fair Housing Offices on pages 7-9.



Department of Housing
and Urban Development
Room 5204
Washington DC, 20410-2000

HUD-1686-1-FHEO
September 2008



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