

SOUTHEAST HOUSTON AFFORDABLE HOUSING INITIATIVES (SEHAHI)

HAUL HOMEBUYER PROCESSES – AHDP (46 Homes)

1. All potential Homebuyers must be referred to HAUL by Developer before execution of a Contract of Sale online utilizing the Developer Referral Form at <https://bit.ly/3UhvmFa>
2. Prior to execution of a Contract of Sale Developer and Homebuyer must submit to HAUL the Developer Conflict of Interest Affidavit and the Qualified Homebuyer Conflict of Interest Affidavit and the Homebuyer Eligibility Affidavit.
3. Homebuyer to complete all Homebuyer education classes prior to execution of contract to sale. The classes are provided by HAUL. The Homebuyer may choose to attend classes conducted by another HUD Certified Counseling Agency located in Harris County, Texas. These Homebuyers will also be required to attend a 2-hour class conducted by HAUL on MRA affordability requirements and HCAD tax exemption requirements.
4. City of Houston will determine whether Homebuyer meets eligibility requirements and will review income documentation in order to determine whether Homebuyer is Income Eligible. City of Houston shall submit to HAUL a copy of the letter that indicates that Homebuyer meets eligibility and income requirements. HAUL shall also complete the Household Composition Form.
5. For homebuyers with Household Income at or below 80% AMI who are applying for City of Houston Down Payment Assistance through HAP, City of Houston will conduct the analysis to determine whether PITI does not exceed 33% of household income. The City of Houston Loan Commitment will serve as evidence that this requirement has been met.
6. a) Developer or Homebuyer shall submit to HAUL the Certification of Homebuyer Education Counseling if conducted by a HUD Certified Homebuyer Education Counseling Agency other than HAUL.

b) Once HAUL has received all required affidavits, certifications and forms, HAUL shall submit to MRA counsel the following:
 - City of Houston Certification that Homebuyer meets the Homebuyer Eligibility Requirements
 - City of Houston Income Eligibility Determination
 - Household Composition Form
 - Homebuyer Eligibility Affidavit
 - Homebuyer Conflict of Interest Affidavit
 - Developer Conflict of Interest Affidavit
 - Certificate of Completion of Homebuyer Education
 - Certificate of Completion of the two-hour HAUL Session where applicable

- Homebuyer Authorization for MRA Counsel to provide closing documents to HAUL
- City of Houston Loan Commitment to Homebuyer (if applicable)
- HAUL Certification that PITI does not exceed 33% of household income determined by City of Houston.
- Homebuyer authorization to allow MRA Counsel to share closing documents with HAUL

HAUL shall notify the Developer/Lender/Realtor to contact Peggy Foreman at pforeman@burneyandforeman.com to provide the documentation as set forth in "Counselor's Requirements for Closing" which is attached. All of which must be submitted to MRA Counsel at least ten days prior to projected closing.

- c) At least five days prior to closing, the Developer/Homebuyer shall have the lender to submit the Lender Form 1008 for all households above 80% AMI and homebuyers with household income at or below 80% AMI and the homebuyer is not applying for City of Houston Down Payment Assistance through HAP. HAUL shall review and complete the calculations to determine that the PITI does not exceed 33% of homebuyer household's income as determined by the City of Houston.
 - d) At least two days prior to closing, HAUL shall submit to MRA counsel the Certification that PITI does not exceed 33% of homebuyer's household income. If PITI exceeds 33% of homebuyer household income, HAUL shall notify the developer and homebuyer that they may submit a request for a waiver to MRA Counsel which includes the basis supporting the homebuyer being ask to meet PITI requirements (i.e. credit score, debt payment history if PITI is less than current rental amount etc.). CCPPI (Algenita Scott Davis, Joy Fitzgerald) shall be copied on such notification from HAUL.
7. Developer to notify Linda Larry-Mitchell of CCPPI at linda.larrymitchell@ccppi.org and Glenda Kizzee of HAUL at gkizzee@haul.org of homebuyer name, address and date of closing.
 8. Upon receipt of closing documents from MRA Counsel, HAUL should prepare, obtain MRA signature, and provide to homebuyer the Affordable Housing Verification document for submittal to HCAD.

Schedule for Receipt of Documents for MRA Homebuyer Closings

(Revised as of 5-1-24)

20 days prior to the Scheduled Closing Date

I. Please provide substantially final drafts of the following documents:

1. Copy of Homebuyer(s) Driver's License or other Government Issued ID (Front & Back)
2. Copy of Executed Earnest Money Contract (including all Amendments)
3. Certificate of Completion of the Homebuyers Education Class from Houston Area Urban League (HAUL) and other HUD Certified Homebuyer Education Provider, if applicable.
4. HAUL Certification of Income Eligibility for the Qualified Homebuyer(s) (must include verified annual income, household size, percentage of Area Median Income, and percentage of income required for PITI)
5. Buyer(s) Income Verification
6. Copy of Form 1003 – Uniform Loan Application Form
7. Copy of Award Letter and program guidelines for any down payment assistance (or equivalent)

10 days prior to the Scheduled Closing Date

II. Please provide substantially final drafts of the following documents:

1. Title Commitment
2. Survey
3. Tax Certificate
4. Appraisal
5. Lender Note (Preliminary, with Final to follow at least 3 days prior to Closing)
6. Lender Deed of Trust (Preliminary, with Final to follow at least 3 days prior to Closing)
7. Loan Note and Deed of Trust for each subordinate lienholder (DPA providers), if any
8. Closing Disclosure (Preliminary, with Final to follow at least 3 days prior to Closing)
9. Warranty Deed (unless Burney & Foreman is asked to prepare)
10. HAUL Certificates (unless previously provided)
11. Gift Letter, if applicable
12. Waiver Requests, if applicable (Income Ratio)
13. Any other documents that may be reasonably requested

<i>Documents Delivered for Execution at Closing</i>
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Once all documents have been received, Burney & Foreman will draft and deliver the following documents to the Escrow Officer for execution at Closing.

- A. General Warranty Deed with Vendor's Lien
- B. Deferred Payment Forgivable Promissory Note
- C. Subordinate Lien Deed of Trust and Notice of Occupancy Restrictions
- D. Midtown Statement of Terms and Conditions
- E. Conflict of Interest Affidavit for Developer (Seller)
- F. Conflict of Interest Affidavit for Homebuyer (Buyer)
- G. Closing Instructions
- H. Hold Harmless Agreement
- I. Burney & Foreman Invoice

NOTES:

1. Upon request, Burney & Foreman will make a reasonable effort to accommodate a shorter timeline. However, the ability to do so is contingent upon its capacity, the current schedule of professional commitments, and receipt of complete, correct, and accurate copies of the above-referenced documents. **There is no assurance that a shorter timeline can be accommodated, and the decision to do so is solely within the discretion of Burney & Foreman.**
2. If Burney & Foreman prepare **all of the above documents and the General Warranty Deed** with Vendor's Lien, the total fee for legal services (inclusive of all telephonic and electronic communications with persons involved in the transaction on behalf of the parties) is \$750.00.
3. If Burney & Foreman **do not prepare the General Warranty Deed**, the total fee for legal services (inclusive of all telephonic and electronic communications) is \$600.00.