



HOME Times

HOME Program Activities Newsletter

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WELCOME To Issue Number 1

Your State HOME Program Activities Reps welcome you to our first issue of HOME Times, a quarterly newsletter for and about HOME Program Activities: First-Time Homebuyer (FTHB), Tenant-Based Rental Assistance (TBRA) and Owner-Occupied Rehabilitation. (OOR)

Our hope is that this newsletter will serve as an additional tool for providing technical assistance to the field; that we can use this newsletter to improve our communication to our customers; that we can use this newsletter to share information; and that this newsletter will assist us all in providing decent, safe, and

affordable housing to our customers: low income households.

The layout you see here was voted on by those who attended the seven Regional Roundtables that were held throughout California. This version won with 56% of the vote, with a total of 119 votes counted.

We welcome your comments on this first issue (and future issues) as it will help us ensure that what we publish is beneficial to you.

Thomas Brandeberry

CALENDAR EVENTS

April 30, 2009: Quarterly Reports due (Quarterly Performance Report; Quarterly Program Income Report)

June, 2009 (First Week): 2009 NOFA will be released

June, 2009 (Full Month): NOFA Trainings; Dates, locations to be announced

June 30, 2009: Housing Element due to HPD by (see Management Memo 09-01 for complete list of local governments that have their Housing Element due by this date)

August 14, 2009: HOME NOFA application due date

August 31, 2009: Housing Element due to HPD (see Management Memo 09-01 for complete list of local governments that have their Housing Element due by this date)

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Dear HOMiEs

Question: If a First-time Homebuyer is using some of their assets as down payment (whether required to or not), should we deduct that when listing their assets and calculating their 2% rate imputed income?

HOMiEs: No, you should not deduct down payment money when showing present assets, as the Technical Guide for Determining Income and Allowances in the HOME Program ("Purple Book") makes no allowance for doing so. Always list their 6-month average checking balance and current savings balance for each account, along with the value of other assets as described on page 30 of the Technical Guide.

Reminder: any "one time gift" would be excluded (with documentation) from an asset calculation when determining a household annual gross income.

Question: When doing reconstructions, if a project was determined to be FTHB rather than OOR and we had both activities in the contract, could we do FTHB Infill without doing a contract amendment? In many cases it is likely the household would not be able to get construction lending, so we would need HOME infill construction lending.

HOMiEs: Yes, if the contract already has "FTHB" in the contract nothing needs to be done, since the state regulations define "FTHB" to include all possible FTHB activities, including infill. The State Recipient may need to submit a written request to move funds from "OOR" to "FTHB" to ensure enough funds are available for the project.

Note: If a State Recipient has only OOR in their contract, it is still possible to do FTHB but it would require a contract amendment, and HCD/HOME would look at these on a case by case basis, depending on a number of factors to be considered.

Assumption of HOME Single Family Loans

A number of questions have come to HCD asking for technical assistance in dealing with HOME loans in which the borrower has died and a family member wishes to assume the HOME loan.

The two key issues to allowing such action would be Income and Principal Residence. Affordability period (FTHB or OOR) does not really apply since both HOME Activities require Income and Residency regardless of the affordability period.

Potential Scenarios:

1. Homeowner (original borrower) dies but the household stays unchanged from the one named in the application: income does not need to be verified, and as long as the surviving household member(s) continues to occupy the unit as their principal residence the loan would not be due and payable.

2. Homeowner (original borrower) dies and the heir (not a part of the original household) is living in the unit: if the heir continues to live in the unit and is income qualified (verification is needed), the loan would not be due and payable (verification of residency would be required also).

3. Homeowner (original borrower) dies and the heir (not a part of the original household) does not live in the home: if the heir agrees to live in the unit and is income qualified (verification is needed), the loan would not be due and payable.

4. If the heir does not agree to live in the home and/or is not income qualified (verification is needed), the loan is due and payable.

In reviewing your guidelines, please incorporate these limits in your section covering assumptions should you wish to allow this action.



Northern California Roundtable in Red Bluff

First Regional Roundtables Completed

During the first quarter of this year we held seven Regional Roundtables throughout California. They were organized to allow the field a chance to ask any questions and bring up any concerns in a round-table setting with your fellow cities, counties, administrative subcontractors, and the HOME Program staff.

HCD/HOME would like to thank all seven hosts: City of Buena Park, City of Coachella, City of Chowchilla, City Of West Sacramento, City of Hanford, Mendocino County, and City of Red Bluff. The HOME Program Activity staff would like to thank you all for wonderful hospitality.

We had tough subjects to deal with including foreclosure issues, short sale, the

new reconstruction memo, the bond market and HOME, income qualification, NEPA, records retention, state regulation changes, and how can the state recipients tie HOME and NSP together. These issues were just a small sampling of what we discussed in different locations.

We collected surveys and the overwhelming response from those in attendance was positive. Your comments do not stop at the survey, so feel free to comment or make suggestions any time to your HOME Representative.

Look for the next Regional Roundtables this fall.

Reconstruction Management Memo

We have made some changes to the Test for Reconstruction form, and are clarifying the NEPA requirement language in the 08-05 Management Memo.

The form required a signature, but we have revised this to allow the form to be sent electronically (just like the Quarterly Reports). If the form is being completed by

an Administrative Subcontractor they are required to include the State Recipient in the email so that HCD/HOME has confirmation that the City or County has a copy to review also. We hope this will save some time in the process.

Continued on page 4

Can “Safe At Home” be used with HOME FTHB loans?

The Safe At Home Program is a confidential address program administered by the California Secretary of State’s office that offers anonymity to victims of domestic violence, stalking and assault, and therefore a new start towards a future free from fear. Participants can use a free post office box instead of their home address to help them maintain their privacy when receiving mail. However, when recording a Deed of Trust, the recording is against a particular legal description, and cannot be recorded against a P.O. Box address.

There is no legal way for the recording of a deed to be confidential per State law. If someone in the Safe At Home Program decides to purchase a home they have several options:

- 1) expose themselves by knowing the recording of the deed(s) will put their names/location into public records;
- 2) talk to an attorney and have the property put into a trust and have the trust hold ownership; or
- 3) spend the time it takes to legally change his or her name and perhaps also social security number, and have those records sealed.

However, completing a confidential name change under the Safe at Home Program and getting a new Social Security number could prevent participants from being able to access old records, provide proper documentation for a US Passport, retrieve school or medical records, and/or claim an inheritance. It would be important to check with legal counsel prior to undertaking this process.

Reconstruction Management Memo

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Management Memo 08-05 states: “Jurisdictions doing reconstruction activities must complete a Statutory Worksheet and submit the completed worksheet with the Test for Reconstruction form.” Since the Test for Reconstruction must be approved before the HOME activity can be determined (rehab versus reconstruction) it would be premature to make any findings related to NEPA.

Therefore, State Recipients should start the NEPA process after the Test for Reconstruction has been reviewed by your HOME Representative. If the conclusion is that the project is a rehabilitation project, the NEPA process could be different than if the conclusion is that the project is a reconstruction project.

About this newsletter

The HOME Program Activities unit will publish this newsletter electronically four times per year. It will be sent out to the HOME Interested Parties list the first week of the first month of each fiscal quarter (July, October, January, April). To subscribe, please email HOME@hcd.ca.gov with your full contact information, requesting to be placed on the Interested Parties List. Back issues are also available on our website: www.hcd.ca.gov/fa/home/.

We are looking for the following:

- ✓ Calendar of Events you wish to publicize to other HOME jurisdictions
- ✓ Questions you would like answered and published (others will benefit)
- ✓ Projects you would like to showcase (before-and-after pictures, and description of project)
- ✓ Comments/Opinions about the HOME Program activities and what could be done better
- ✓ Anything jurisdictions might see as valuable to the rest of the field
- ✓ Testimonials you would like to share (from beneficiaries, staff, communities, etc)

Submission Requirements:

All submissions go to Thomas Brandeberry at tbrandeb@hcd.ca.gov.

Submission Deadlines: end of May (for July); end of August (for October); end of November (for January); end of February (for April).

State of California

Arnold Schwarzenegger, Governor

Business, Transportation and Housing Agency

Dale E. Bonner, Secretary

Department of Housing and Community Development

Lynn L. Jacobs, Director

Chris Westlake, Deputy Director, Division of Financial Assistance

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