

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****DIVISION OF FINANCIAL ASSISTANCE****Building Equity and Growth in Neighborhoods**

2020 West El Camino Avenue, Suite 400, 95833

P.O. Box 952054

Sacramento, CA 94252-2054

(916) 263-2707 FAX (916) 263-2763

[www.hcd.ca.gov](http://www.hcd.ca.gov)**BEGIN MANAGEMENT MEMO: #14-01****DATE: February 4, 2014****TO: All BEGIN Award Recipients****FROM: *CG* Coral Gaines, BEGIN Program Manager****THROUGH: Rebecca Matt, Homeless and Housing Assistance Section Chief *RM*****SUBJECT: Documentation of BEGIN Reuse Account Transactions****Purpose**

The purpose of this memo is to notify all BEGIN Recipients of the documentation requirements for BEGIN Reuse Account Transactions.

**Background**

The BEGIN Program funds that have been awarded to the Recipients are to be used for down payment assistance to qualifying first-time homebuyers of low and moderate incomes purchasing newly constructed homes in a BEGIN project. The BEGIN Program is governed by the BEGIN Statute (California Health and Safety Code Sections 50860-50866), BEGIN Program Guidelines, BEGIN Operations Handbook and the CalHome Program Regulations (California Health and Safety Code Sections 7715-7756).

The BEGIN Program addresses the establishment and documentation for maintaining a Reuse Account by requiring an approved Reuse Account Plan from Recipients and through details provided by the BEGIN Program Guidelines and BEGIN Operations Handbook. Management Memo #14-01 provides further instruction on what the BEGIN Program requires for Reuse Account transactions and the recordkeeping necessary for Monitoring by the BEGIN Program.

In the event of a BEGIN First-time Homebuyer loan transaction the following documentation is required:

- The Mortgage Assistance Borrower Summary (MA-2) shall indicate the BEGIN Program Loan in Source of Funds only if the amount loaned is derived from an active contract.
- BEGIN loans using Reuse Account Funds shall be documented in the \*List other subsidy loans box in the lower left hand corner of the MA-2. Lender should indicate "BEGIN Reuse Account Contract xx-BEGIN-xxxx" and the amount.
- These transactions should also be documented on the Reuse Account Spreadsheet that is maintained by the Recipient with annotation specifying the BEGIN contract that is the source of the funds.

- The Reuse Account Spreadsheet must be submitted to HCD along with the Annual Reuse Account Report that is due June 30<sup>th</sup> of each program year.
- The Promissory Note and Deed of Trust should indicate the full amount of both BEGIN Reuse Funds and active contract funds that the homebuyer is indebted to the recipient.

The MA-2 and a sample Reuse Account Spreadsheet are included with this memo. The sample spreadsheet is for illustration and can be modified to fit the Recipients' specific needs.

### **Have Questions**

If you have questions about the information in this Management Memo, or any other questions regarding the BEGIN Program, please contact the Program Representative for your BEGIN project. Staff will be able to assist you.



# BEGIN Program Mortgage Assistance

## Borrower Summary

BEGIN Program Contract No.: \_\_\_\_\_ Date: \_\_\_\_\_

Recipient: \_\_\_\_\_ Phone: \_\_\_\_\_

Buyer's Name: \_\_\_\_\_

Senior Citizen: Yes  No  Veteran: Yes  No

Property Type (Condo, Town home, Duplex, SFR): \_\_\_\_\_

Property Address: \_\_\_\_\_ Census Tract No.: \_\_\_\_\_

Contributed Labor hours, if applicable: \_\_\_\_\_ Income Limit Percentage of Household: \_\_\_\_\_ (80% etc)

Number in Household: \_\_\_\_\_ Household Income: \_\_\_\_\_ Income Limit: \_\_\_\_\_

First Mortgage Lender: \_\_\_\_\_ Interest Rate of First Mortgage: \_\_\_\_\_

Appraised Value: \$ \_\_\_\_\_

### Source of Funds:

Sales Price: \$ \_\_\_\_\_

First Mortgage Amt \$ \_\_\_\_\_

Add: Buyer's Closing Costs: \$ \_\_\_\_\_

BEGIN Program Loan \$ \_\_\_\_\_

Total Req. to Close: \$ \_\_\_\_\_

\*Other Subsidy Loans \$ \_\_\_\_\_

Buyer's Contribution \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

### Copies of Documentation Required:

1. Copy of executed Note

### Funds Requested

BEGIN Program Loan Amount \$ \_\_\_\_\_

\*List other subsidy loans:

Total for this Draw Request \$ \_\_\_\_\_

Lender	Amount

I certify that the above information is a true representation of the loan for which this draw request is being submitted. I have verified that the Sales Price, Appraised Value and Household Income do not exceed BEGIN Program Income Limits and that the buyers are First-Time Homebuyers in accordance with BEGIN Program Guidelines.

\_\_\_\_\_  
Authorized Signor per Resolution Title Date

