

**Kodiak Island Housing Authority
Home Start Homeownership Program for
NAHASDA Eligible Households**

Abridged Policy & Application

I. General

Under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), Kodiak Island Housing Authority (KIHA) will offer its Home Start Homeownership Program. The Home Start Program is designed to increase affordable housing for Native American households who are in the low to very low-income categories. KIHA shall have sole discretion in determining the eligibility in the program and shall have the discretion to approve, disapprove, or deny any individual application.

The program is available to Native American families and single persons that financially qualify for NAHASDA assistance, and who meet all eligibility factors listed in *Section II* below.

KIHA will implement the program in a manner consistent with its overall policy of providing decent, safe, sanitary, and affordable housing to participant households under the requirements of NAHASDA.

See “Home Start Program Loan Options for loan types”.

II. Eligibility factors

To ensure that only eligible applicants receive assistance, KIHA requires verification of all factors of eligibility.

To be eligible a family or single person must satisfy all the following requirements:

1. Meet the NAHASDA income limits as established annually by HUD,
2. Primary borrower must be a first-time homebuyer (someone who has not owned a home as their primary residence in the past three years) and does not currently own a home (not applicable for the refinance option).
3. Provide proof of Alaska Native/American Indian blood,
4. Certify that the subject property will be owner occupied,
5. Submit evidence of regular, recurring income sources sufficient to establish ability to make regular payments of principal, taxes, insurance, and any interest under a mortgage loan, and financial ability to maintain a home,
6. Be willing to sign an Agreement to Purchase and Sell, Promissory Note, Deed of Trust, and NAHASDA Covenant,
7. Pay a minimum of 1% of the purchase price at closing. The borrower’s 1% downpayment must be from their own reserves and cannot be borrowed or gifted.
8. Attend and satisfactorily complete an AHFC-approved or HUD-approved Homebuyer Education Class within 24 months prior to closing the home purchase transaction,

9. Obtain credit approval and credit counseling from KIHA,
10. Must not owe money to KIHA or to any other federally funded housing entity or program. Applicants will be ineligible for this program until the amounts owed are paid in full and verification is provided,
11. Be willing and able to cooperate in any required occupancy or financial counseling required by KIHA, at any time during the term of the mortgage loan.

III. Income limits for the program

To be eligible, the family's total household income cannot exceed the current maximum percentage of HUD Published Area Median Family Income. Applicants whose annual income is at 80 – 100% of the HUD published area median family income limits may be considered eligible in KIHA's discretion, in accordance 24 CFR §1000.110.

Applicants must fully complete the written application for program participation. Applications are available from KIHA at 3137 Mill Bay Rd. Kodiak, AK 99615. Participants must timely provide accurate information on all sources of household income, and sign release and consent forms to permit KIHA to verify income and income sources. Refusal to cooperate with income and program qualifying activities shall disqualify the application from further consideration and processing.

Fraud or misrepresentation in the application process is a serious matter and shall be grounds for disqualification of the applicant or an admitted participant from all housing assistance programs administered by KIHA.

If it is discovered that an applicant has misrepresented his/her situation, family income, terms of the transaction or other pertinent factors, and KIHA has already disbursed funding, KIHA shall determine if the misrepresentation results in ineligibility for this program. If it is determined that the applicant is not eligible for the program and has received funding they were not entitled to receive, KIHA shall require the applicant to repay KIHA in full for all actual costs associated with the program. If the applicant refuses to repay KIHA, KIHA shall fully enforce its recovery rights of the law.

Applicants for the Home Start Loan Program may be approved for processing based upon information the applicant has provided KIHA regarding the applicants' income and first-time homeowner status (if applicable). Such approval is preliminary and nonbinding. KIHA's final determination for eligibility for the program will be determined before the parties execute the Agreement to Purchase and Sell, which includes KIHA's commitment to providing the loan funds. Determination of the applicant's eligibility will be based upon accuracy and completeness of information the applicant(s) provide to KIHA, changes in household income, composition and compliance with all other terms and condition of the Home Start Loan Program.

IV. Down payment

The Home Start Program will incorporate reasonable closing costs in the price or the loan amount for the home. The borrower must contribute at least 1% of the purchase price toward the down payment.

V. Eligible properties

Homes financially funded by KIHA's Indian Housing Block Grant under NAHASDA must be owner-occupied single-family residences.

VI. Inspection

All units must meet KIHA's Housing Quality Standards (HQS) inspection to be performed by a KIHA-approved inspector. Health and Safety concerns must be addressed and remedied prior to closing.

VII. Home Start Program

The borrower's monthly payments will include loan principal installments, homeowner's insurance, property taxes and applicable interest.

VIII. Renting the house after purchase

Borrowers must occupy the property as their primary residence. Renting the property is strictly prohibited. Absences of more than 3 months must be pre-approved by KIHA. Failure to occupy the home as primary residence shall constitute a loan default.

IX. Availability of program

The Home Start Homeownership Program shall be available until suspended or terminated by KIHA. KIHA may suspend receipt of applications or update the wait list in its discretion. Length of program shall depend upon funding and need. KIHA may change the scope of the program, the program policies, or terminate the program at any time.



Kodiak Island Housing Authority

3137 Mill Bay Rd. Kodiak, AK 99615

www.kodiakislandhousing.com

Phone (907) 486-8111 | Fax (907) 486-4432

Origination License # 260607 | Mortgage License #287623

Mortgage Loan Application Checklist

Thank you for choosing Kodiak Island Housing Authority for your home loan. KIHA has several types of loans available to assist you in either purchasing or refinancing a home. KIHA services all loans we make, which means that your loan is at home with us!

The following is a list of information necessary to properly document your loan application file. The sooner you provide this information, the faster we can assist you. Please include these items for all applicants.

- Completed, legible loan application with signatures from all loan applicants
 - Universal Residential [Loan Application Part 1](#), [Part 2](#), and [Additional Borrower](#)
- Most recent paystubs (covering a 6-week period, may be actual stubs or a printout)
- Last paystub or printout of earnings from all other employers this year
- Complete copy of most recent money account statements covering a 2-month period, including checking, savings, money market, IRA, stock, investments, etc.
- W-2s and 1099s for the past two years
- Tax returns including all schedules for the past two years (three years are required if you are a first-time homebuyer)
- All other sources of income
- If active-duty military or public health service: We will advise you on the documents needed.
- Prior residence(s): Name, address, and telephone number for the landlord, along with your physical address for **all** prior addresses you have had for the past 24 months. Use the last page of the loan application or additional pages as necessary.
- Complete copy of Purchase and Earnest Money Agreement (if purchasing a home)
- Seller information (name and telephone number)
- Photo ID for each applicant

Additional items and prepayment may be required. Please contact our office to arrange for an appointment to start your application, or with any questions. Our hope is to help make the loan process as pleasant as possible for you.