



Community Home Trust Home Ownership Program

Steps to Buy

Below are a set of steps to assist you in navigating the home buying course. While we believe this is the best order in which to complete the steps of our program, there is some flexibility in the process. Even though we do not represent you as a buyer, we do wish to see you become a successful homeowner and are happy to assist you along the way.

1. **Make sure we have your complete application packet** including but not limited to the following documentation:
 - a. Application intake form
 - b. Income and employment verification forms (other necessary income verification)
 - c. Most recent paystubs
 - d. Tax returns for past 3 years (written explanation for years without returns)
 - e. Most recent W2s
 - f. Loan pre-approval (see # 2)
 - g. Education certificates and documentation (see # 3)

This information will enable us to determine your qualifying status for our home ownership program, verify your income, calculate the amount of subsidy you may be awarded and confirm that you do not exceed the affordability guidelines of our program.

1. **Attend classes and workshops** to prepare you for homeownership (see list of lenders sheet for counselors and class providers)
 - a. **Home Trust orientation**—detailed overview of the homeownership program touching on some highlights of the process of buying, owning and selling a Home Trust property. (visit the CHT website for orientation and homebuyer education schedules for 2010)
 - b. **Financial Counseling**—one on one counseling session with a certified financial counselor to help you establish, review or revise your budget as well as acquiring, reviewing and repairing your credit report.
 - c. **Homebuyer Education**—extensive 8 hour class that instructs first-time homebuyers in the process of buying and owning a home. This class must be taught by a certified housing counselor and you must attend at least 7 of the 8 hours to obtain your certificate, good for 12 months.
2. **Ask to be put on waitlists** of Home Trust homes for sale that you wish to buy.
 - a. You may be on multiple lists but you can only reserve or contract to buy one home at a time.
 - b. You must have an active application to be on a waitlist.

- c. Applicants are ranked according to need and capacity. The “Application Ranking System” (“ARS”) calculates a score based upon the following criteria: First-time home buyer, Single parent w/ dependents, displaced homemaker (recently widowed or divorced as well as loss of primary income) and other special circumstances evidenced by a fixed income (such as disability or retirement). Points are also awarded for later application dates and strong incomes with respect to the household size that do not exceed the income limit.
 - d. Points are deducted for student status. This entails any applicant or co-applicant enrolled in a graduate, undergraduate, residency or vocational program that would result in a significant increase in the overall household income.
 3. **Visit with Home Trust approved lender** to determine how much you can borrow to purchase the home. You must work with one of these approved loan officers as they are most familiar with our program and how best to assist you. It is wise to visit with all 3 lenders to research the best deal for yourself. (lender contact sheet enclosed)
 4. **Place reservation or contract on property** you wish to buy.
 - a. A reservation holds the home in your name for one full week while you finalize your decision or ability to purchase. There is no money down and no obligation to purchase. We will continue to market the home during this time at the end of which you must either pass or establish contract.
 - b. During this time we will verify all income and employment information, determine your subsidy assistance if any and confirm your ability to afford the monthly cost of the home without exceeding 30% of your monthly gross income.
 - c. The contract requires all application and income verification documents be submitted and reviewed in addition to \$1000 earnest money deposit and any upfront payments for selections and upgrades, if applicable. The contract obligates you to buy the home unless you are unable to secure financing or the ratio of your income to your housing payment exceeds 30% of your monthly gross income.
 - d. Unusual income, employment or purchase financing will require additional documentation and time to review and verify it. It’s best to have all paperwork together as early on as possible (with application) to allow enough time.
 5. **At the contract meeting** you and a member of the Sales Team will thoroughly review and execute the contract, any addenda to the contract and other documentation necessary for the transaction.
 - a. You will be given a checklist of the steps that lay ahead and some other paperwork you will require to reach closing.
 - b. Married couples must have both members sign the contract in addition to the CHT director in order for the document to be valid.
 - c. Bring a cashier’s check or money order for \$1000 (unless otherwise discussed) made payable to Community Home Trust (or CHT) and put the property address in the memo line.
 6. **Once you’re in contract to buy...**
 - a. Though we do not represent you, the Home Trust sales team will provide information and guidance to assist you through the process.
 - b. You’ll work diligently in accordance with the lender, the sales team and your closing attorney toward a successful closing within a reasonable timeframe.