



# SANTA ROSA COUNTY DEVELOPMENT SERVICES - HOUSING

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## ESCAMBIA CONSORTIUM HOME (HUD) HOMEBUYER ASSISTANCE PROGRAM

**GOAL:** The homebuyer program encourages the acquisition of existing affordable homes. For many homebuyers, the biggest barrier to homeownership is the down payment and closing costs. This program provides assistance to low-income families for these costs. The applicant does not have to be a first-time homebuyer.

### Family Income/Underwriting Eligibility Requirements:

1. Applicants will be approved on a first come, first qualified basis. Applicant’s gross household annual income must meet limitations as published for the Pensacola MSA by the U. S. Department of Housing and Urban Development (adjusted annually). As of **June 15, 2023** income limits are as follows:

<u>Number in Household</u>	<u>Maximum Household Income</u>
One	45,850
Two	52,400
Three	58,950
Four	65,450
Five	70,700
Six	75,950
Seven	81,200
Eight	86,400

2. Applicant must have adequate, stable income and an acceptable credit rating, as determined by a participating mortgage lender. Purchaser must qualify through a mortgage lender for a conventional, FHA, VA, USDA RD fixed rate mortgage with a 30-year term. Sub-prime mortgages and adjustable rate mortgages are not allowed.
  1. The housing unit must be affordable with total monthly principal, interest, taxes and insurance not exceeding 35% of the family’s total gross monthly income.
  2. The home must be the primary residence of the applicant. If the homeowner moves out, sells, transfers, rents, refinances (without approval first by SRC ) or adds additional liens, or fails to maintain property insurance during the 10 year residency requirement, the entire award amount must be repaid. However, if the homeowner does not default as mentioned above, half of the 10-year mortgage is forgiven at the completion of the 5<sup>th</sup> year and 20% forgiven for every remaining year.
3. All recipients of HOME funding (including all recipients on the loan and all spouse regardless of if on loan) are required to attend a HUD approved Homebuyer Education Class (in-person) prior to receiving funding. Classes are available through:
  - Community Enterprise Investments, Inc. (CEII). Reservations for the class can be made by calling Preston Denagall at 850-595-6234 extension 206. The class is provided free of charge to the prospective homebuyer. For convenience the course is also offered online [www.ehomeamerica.org](http://www.ehomeamerica.org) for a fee.
  - Pensacola Habitat for Humanity. Classes offered on a monthly basis. The Course is free and includes a light breakfast and lunch. For more information go to: <https://pensacolahabitat.org/housing-counseling> or contact Betsy McDonald at 850-434-5456, Ext 131 or via email [emcdonald@pensacolahabitat.org](mailto:emcdonald@pensacolahabitat.org)

4. If applicant has more than \$25,000 in cash assets above the estimated to close, they are ineligible.

### Type of Assistance

A deferred payment loan at 0% per annum interest will be provided. The loan will be secured by a note and mortgage. The lien/affordability period is ten (10) years. Assistance will be in accordance with HUD/HOME purchase assistance guidelines. Funding is available to provide direct assistance to subsidize mortgage rates and principal amounts, down-payment, financing fees, credit report, title binder and title insurance, recordation fees and transaction taxes and appraisal fee. A maximum assistance amount of \$35,000 will be provided to all income qualified applicants.

### Property Requirement:

Housing units must meet the following criteria:

- Properties located in a special flood hazard risk area must have flood insurance.
- Homes must be built after January 1, 1978.
- Maximum purchase price:     \$237,000   Existing Home  
  \$251,000   New Home
- Mobile/Manufactured homes with a **HUD approved insignia/sticker are not** an allowable purchase using HOME funds. Modular home with a **DCA approved insignia/sticker ARE allowed** to be funded using HOME funds.

Each property is subject to a site review by the Environmental Certifying Officer for Santa Rosa County to determine funding eligibility.

If the property under consideration for purchase must be repaired/rehabilitated, the applicant must work through a HUD approved lender qualified to provide an FHA 203(k) property rehabilitation loan.

### Other Requirements:

- All recipients who receive HOME will be required to provide proof of insurance at closing and maintain homeowners insurance including fire, liability, casualty, and theft coverage for the duration of the lien.
- Program beneficiaries must disclose all potential conflicts of interest in writing.
- Lenders who wish to participate in the program must attend an information meeting with housing program staff prior to submitting an application for a client.
- Following lender approval and application submission to the housing program office, applicants will be required to meet with housing program staff to complete program documentation.