



CITY OF SAN ANTONIO  
**NEIGHBORHOOD & HOUSING  
SERVICES DEPARTMENT**

## **PROCEDURAL GUIDE**

# **HOMEOWNERSHIP INCENTIVE PROGRAM**

## **HIP 120 – GENERAL FUND**

OCTOBER 2020

*Contact: 210-207-6459*

1400 S. Flores, San Antonio, Texas 78204

Website: [www.sanantonio.gov/NHSD/programs/downpayment](http://www.sanantonio.gov/NHSD/programs/downpayment)

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## INTRODUCTION

The Neighborhood & Housing Services Department (NHSD) administers the Homeownership Incentive Program (HIP 120 - General Fund) to provide down payment and closing cost assistance to eligible first-time homebuyers. Assistance with the general fund will be provided to homebuyers with incomes at or below 120% of the Area Median Income (AMI) and will be in the form of a *forgivable* loan and a *perpetual loan*. Families with income at or below 120% AMI may qualify for an FHA 203B, FHA, VA or a Conventional loan to finance the purchase of an existing or completed inventory newly constructed home.

The down payment and closing cost assistance will be provided on a first-come, first-serve basis and on the availability of funds. Policy clarifications or general questions should be addressed to the City's Neighborhood and Housing Services Department (NHSD). Please call 210-207-6459 or submit questions to the following link: <https://www.sanantonio.gov/NHSD/programs/downpayment>

## WHO IS ELEGIBLE FOR ASSISTANCE?

**To be eligible for participation in the HIP 120 – General Fund, clients must meet all of the following criteria:**

1. The household's gross annual income cannot exceed eighty percent (120%) of the Area Median Family Income (AMFI). Household income consists of all money received or earned by any person 18 years of age or older who currently resides, or who will reside in the structure to be purchased. This includes all income earned, i.e., part-time employment, overtime, child support, bonuses, SSI, etc. COSA will re-verify the household's gross income if more than 6 months has lapsed from when borrower was initially qualified. COSA reserves the right to re-verify the household's gross income at any time.
2. The borrower must be a first time homebuyer as defined below:
  - a. Have not had an ownership interest in any residential property for at least three (3) years prior to applying for HIP 120 General Fund down payment assistance For example: inherited property or;
  - b. Displaced person or family that involuntarily and permanently moves from real property as a direct result of acquisition, rehabilitation, or demolition.
  - c. Individuals who have recently divorced and will purchase a new primary residence are exempt from the three-year rule. Proper documentation will be required such as divorce decree.
3. All contributing members of a household receiving HIP 120 funds must be either a:
  - a. U.S. Citizen or,
  - b. Permanent Resident Alien or,
  - c. Temporary Resident Alien with permission to work in the United States. Documentation of status will be required.
4. The borrower must occupy the home and declare it as their homestead for tax purposes during the term of program assistance.
5. The borrower must qualify for an FHA, VA or a Conventional mortgage loan from a legitimate mortgage lender.
6. Owner financed loan does not qualify for HIP 120 General funds.

7. Buyer must attend an 8 hour HUD approved Homebuyer Education Course from the list that is available on the City of San Antonio webpage <https://www.sanantonio.gov/NHSD/Programs/DownPayment> and submit a certificate of completion form prior to closing. In addition to this, the buyer must also watch our short HIP orientation video that is on our webpage: <https://www.sanantonio.gov/NHSD/Programs/DownPayment>
8. Buyer should deposit a minimum of \$500 in earnest money prior to closing the loan at the title company. Funds must be receipted by the title company and sourceable for the Lender.

## WHAT TYPE OF HOUSE QUALIFIES?

1. The house to be purchased must be located within the City of San Antonio. You can conduct a search by address in [www.bcad.org](http://www.bcad.org) to verify that "City of San Antonio" is a taxing jurisdiction.
2. The home can be existing or complete new construction inventory.
3. The maximum sales price of an **existing home** shall not exceed **\$236,000** The maximum sales price of a completed inventory **completed inventory new construction home** shall not exceed **\$251,000**.
4. Eligible Property Types include any property that will serve as the purchaser's principal residence, including:
  - A single-family property (one unit);
  - A Condominium unit;
    - A condominium is a unit in an apartment house, or other multiple-unit complex, the units of which are individually owned, each owner receiving a recordable deed to the individual unit purchased, including the right to sell, mortgage, etc. That unit and sharing in joint ownership of any common grounds, passageways, etc.
  - A manufactured home;
    - The manufactured housing must be connected to permanent utility hookups.
    - The manufactured housing must be located on land that is owned by the manufactured housing unit owner.
  - The home can be existing or complete new construction inventory
    - Any existing and complete new construction inventory homes that are acquired for homeownership (e.g., down payment assistance) must be decent, safe, sanitary, and in good repair. A newly constructed unit must also meet the City's universal design ordinance.

### HIP Property Review / Uniform Physical Conditions Standards (UPCS) Inspection

5. Existing housing that is acquired for homeownership (e.g. down-payment assistance) must be decent, safe, sanitary, and in good repair. The housing must meet all applicable State and local housing quality standards and code requirements and the housing does not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (Uniform Physical Condition Standards) issued pursuant to 24 CFR 5.705. The City must inspect the housing and document

this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of GENERAL assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet the standards of this paragraph (c)(3) or it cannot be acquired with GENERAL funds. **\*\*GENERAL funds may not be used for the required repairs.\*\***

6. COSA staff will review property inspection report to complete the *HIP Property Review/ UPCS*. In accordance with HUD regulations, all homes built prior to 1978 will receive visual lead based paint assessment. If applicable, a lead clearance test will be required on stabilized area(s) in accordance with 24CFR part 35.1015. For information on visual assessments and/or inspections for lead base paint issues, contact Environmental & Consumers Safety at 1-888-778-9440. The National Lead Information Center Clearing House has specialists available to answer any of your questions regarding lead issues at 1-800-424-5323; website: [www.epa.gov/lead](http://www.epa.gov/lead).
7. The *HIP Property Review / UPCS* form may uncover City code violations that will need to be addressed prior to closing the loan. The house must meet the house review standards for approval of HIP funds. The Property Review is not a substitute for the TREC inspection report but is used to comply with HUD regulations.
8. Condition of unit must be safe, decent and sanitary. Must meet all City Building Codes and federal standards including Environmental, Lead Based Paint, and HIP Property Review Uniform Physical Conditions Standards (UPCS) Inspection to be completed by COSA staff. HIP Property Review & UPCS Inspection is not a substitute for the TREC final inspection report.
9. **The buyer should not pay for any of these repairs as they do not own the home.**
10. **Once repairs are completed, a second TREC inspection (Property Inspector Report) will be required by the same inspector, to ensure all required repairs identified in the initial HIP/UPCS Property Review were completed in a satisfactory manner.**
11. Unit must contain adequate living space. HIP 120 funds are governed by certain Federal Regulations to ensure that funds are not used to contribute to overcrowded housing conditions. Refer to Page 14 for Occupancy Standards.
12. If the property to be purchased is located in flood plain area, the homeowner must maintain flood insurance for the term of the loan.

## TERMS OF ASSISTANCE

### 1. HIP 120 ASSISTANCE:

- Assistance is secured by a second lien loan on the total HIP 120 - General amount.
- Up to \$15,000 for down payment and closing costs assistance will be provided to eligible homebuyers.
- The HIP 120 – General loan will be in the form of a *perpetual* and *forgivable loan*:
  - **25% of the assistance will be a 0% perpetual loan, due at the sale of the home, a change in ownership, or refinancing.**
  - **75% of assistance will be forgiven over a 10 years period with 1/10<sup>th</sup> being forgiven each year.**
- If the property is sold, transferred, or refinanced (with cash-back) prior to the end of the five (5) year forgiveness period, the borrowers will be responsible for payment of the remaining balance of the forgivable loan. Refinance without cash back is allowed.
- 0% Interest Rate and no monthly payment are required
- First lien interest rate may not exceed 2% of current market rate.

### 2. PERPETUAL LIEN:

- 0% Interest Rate and no payments are required.
- The loan must be repaid at sale, change of ownership, demise of owners or refinancing.
- Buyer can initiate payback by making arrangements with COSA.
- Only payoff will terminate the term of assistance

## CHANGE IN LENDER AND/OR PROPERTY

- If purchaser changes the lender after a HIP 120 - General commitment is issued, a "Letter of Transfer", a revised Loan Estimate (LE), Itemized Fees Worksheet, and a Transmittal Summary are required by COSA.
- Should the purchaser change properties after HIP 120 - General commitment, a new request must be submitted by the lender to COSA-NHSD along with all items outlined on HIP 120 Lender Checklist.

## THE EARNEST MONEY CONTRACT

1. CoSA - NHSD requires a copy of an executed one that is legible.
2. The contract must show a fixed interest rate.
3. The contract must be properly receipted by a Title Company with a minimum of \$500 earnest money
4. Any changes to the contract must be dated and initialed by both parties.
5. Submit a copy of any contract extensions or amendments to COSA – NHSD as soon as possible.
6. The location of the title company and closer's name must be legible on the contract as well as the seller and buyer agents names (if applicable).

## UNDERWRITING GUIDELINES

1. Property is located in City Limits of San Antonio
2. Qualifying debt to income ratios are **33% housing ratio** on the front end and **45% total debt ratio** on the back end, including compensating factor.
3. Fixed interest rate cannot exceed 2% of the current market rate.
4. Up to 1.0% origination fee is covered by HIP 120 - General funds.
5. Up to 2 points Discount Fees or Buy-down fees is covered by HIP 120 - General funds.
6. Minimum \$500 earnest money deposit shall be made by the buyer toward the purchase of the home. Funds must be receipted by the title company and sourceable for the Lender.
7. The initial down payment amount approved will be the minimum required in order to qualify per lender guidelines. Borrower's down payment amount must be clearly documented on the itemized worksheet, loan estimate and closing disclosure.
8. Maximum HIP 120- General loan is up to \$15,000 and is subject to the 1st lien holder's approval of combined Loan to Value (CLTV).
9. Minimum \$1,000 HIP 120 - General loan.
10. Minimum 25% of the loan will be a perpetual loan.
11. 75% of loan will be forgivable over 10 years. Pro-rated balance to be paid if sold prior to forgivable period.
12. Maximum sales Price for an **existing home** cannot exceed **\$236,000**. Maximum sales Price for a **newly constructed home** cannot exceed **\$251,000**.
13. No bankruptcy within the following timeframe:
  1. Chapter 7: Must be five (5) years from date of discharge.
  2. Chapter 13: Must be two (2) years from date of discharge.

## NHSD HIP 120 ELIGIBILITY PROCESS

IT IS RECOMMENDED THAT THE LENDER VERIFY THAT THE FILE IS COMPLETE AND CREDIT APPROVED, PRIOR TO SUBMISSION TO COSA. Submit files by e-mail. All documents must be legible.

Coordinate with your real estate agent to send these as soon as they are available. HIP120 will use these documents to **open a new file and conduct the HIP/ UPCS Property Review even though your lender file may not yet be complete.**

1. Copy of purchase contract receipted by the Title Company; including all addenda.
2. Copy of the Property Inspection Report for the subject property **(This also includes completed new construction)**

**Property Inspection Report will be reviewed by COSA personnel to process COSA HIP/UPCS Property Review Form. A third-party inspector secured by COSA NHSD will inspect the property for any needed repairs connected to health, safety and code violations. Realtor, lender and buyer will be advised of any required repairs within 5-7 business days (the clock starts when we receive the required documents). If the property does not pass the compliance inspection, COSA must be notified to proceed with the loan process when all discrepancies are corrected.**

## STEPS FOR LOAN SUBMISSION PACKAGE

1. Lender's loan approved packet should be received within 10 business days after the Inspection report and contract have been submitted. Follow the Lender checklist that is available on page 15.
2. The packet is reviewed to ensure completeness, accuracy and eligibility. There is a 7-10 business days turn around time for this review.
3. A review of the proposed property will determine if the structure has sufficient living/sleeping space to accommodate the family size.
4. Once Income eligibility and ratios have been approved the HIP 120 - General amount will be determined by reviewing lender's signed Loan Estimate and Itemized Fees Worksheet. The COSA loan officer will compute the amount of HIP 120 assistance based off of these documents as well as our list of allowable fees.
5. After the lender has submitted all required documentation, the HIP 120 assistance amount will be approved, and the property repairs have been satisfied, an executed commitment letter will be provided.
6. The balanced CD acknowledged by the buyer should be sent three business days prior to closing.

7. COSA - NHSD will order legal documents from the City Attorney's Office, which will need to be done three business days prior to closing.
8. COSA will order wire transfer funds to title company once the CD is approved.
9. The COSA - NHSD loan officer will deliver and or email legal documents to the title company.

Coordination with CoSA – NHSD loan officer is essential to meet closing deadline schedules and avoid delays.

## HUD INCOME GUIDELINES

Income eligibility is based on Median Family Income for the San Antonio, Texas MSA. Income limits are updated automatically in compliance with the most recent transmittals received from HUD.

### 2020 Income Limits / 120% AMI

(Updated by Department of Housing & Urban Development annually)

HH Size	1	2	3	4	5	6	7	8
Total Income	\$60,500	\$69,100	\$77,750	\$86,400	\$93,300	\$100,200	\$107,150	\$114,050

## OCCUPANCY STANDARDS

Occupancy review of the proposed property will determine if the structure has sufficient living/sleeping space to accommodate the family size.

Number of Family Members		Number of Required Bedrooms
Minimum	Maximum	
1	2	1-2 Bedrooms
2	4	2-3 Bedrooms
4	6	3-4 Bedrooms
6	8	4-5 Bedrooms
8	10	5-6 Bedrooms
10 +		6 + Bedrooms

## LENDER'S CHECKLIST FOR HIP 120 PACKET

This checklist is provided to help guide lenders through the documents that HIP 120 staff will need in order to process a loan file requesting HIP 120 funds. There are basic documents that will be necessary for all files you submit for HIP 120 funds. The Housing Loan Officer will contact you after receipt of your file to advise you if any additional documentation is needed. Visit [www.sanantonio.gov/NHSD/programs/downpayment](http://www.sanantonio.gov/NHSD/programs/downpayment) for more information.

**Coordinate with your real estate agent to send these as soon as they are available. HIP 120 will use these documents to open a new file and conduct the HIP/ UPCS Property Review even though your lender file may not yet be complete.**

1. Copy of purchase contract receipted by the Title Company; including all addenda.
2. Copy of the Property Inspection Report for the subject property (including completed inventory for new construction)

**The file should be complete and credit approved, before submitting to NHSD, or it will be rejected. Files are worked on a first come first serve basis. ALL Doc packages need to be legible to send via Email.**

- 1. Lender's Cover Sheet** should include the name, address, phone number & email of the loan officer. Provide the buyer's name, property address, number of bedrooms and the amount of HIP120 General funds requested. *Additional detailed information, i.e., how many in household, relationship, gender, NPS employed, Buyers' email addresses, as well as other information pertinent to HIP loan that is not on your standard forms.*
- 2. Copy of Texas ID Photo and SS card** for the borrower, co-borrower and **ANY additional** adult household members. Birth certificates for any minors in the household.
- 3. Signed Loan Estimate**
- 4. Itemized Fees Worksheet**
- 5. Copy of purchase contract** receipted by the Title Company; including **all addenda and/or (Extension of contract)**
- 6. Lead Base Paint Addendum** (any home older than 1979)
- 7. Signed Loan Application**; by all borrowers and completed with employment status if applicable.
  - a. Identify Non-Purchasing Spouse (NPS), partner, live in, etc. on the Lenders coversheet.
- 8. Occupancy Standards**: Refer to page 13 On our guidelines for this criteria
- 9. Verification of Employment**: For each borrower and adult household member that is employed; this should be current and signed by the employer's representative

- 10. Proof of income :** Submit for Applicant(s), and other adult household members. *Household income consists of all money received or earned by any person 18 years of age or older, who currently resides or who will reside in the home. Any form of the following should be submitted.*
  - Two (2) current months of consecutive pay stubs for ALL persons who will occupy the residence 18 years and older and
  - Current year benefit letters for All household members (e.g. Social Security, SSI) and
  - Verification of income from public assistance, and
  - Separate maintenance payments (alimony) and
  - Submit 6 (six) current month's child support payment record as evidenced by the Bexar County Child Support registry or Attorney General's office.
- 11. Single Parent Household - Divorce Decree, final (if applicable);**
- 12. Six (6) months most current consecutive checking bank statements** *ALL* adults household member
- 13. One (1) month most current savings bank statement** *ALL* adults household member
- 14. Homebuyers' Class certificate** from HUD approved class - copy
- 15. Wire Instructions**
- 16. Flood Certification**
- 17. Flood Insurance Declaration Page** (if apply)
- 18. Homeowners Insurance Declaration Page**
  - Mortgagee Clause: City of San Antonio, Loan Servicing, 1400 S Flores, San Antonio, TX 78204
- 19. Title Commitment & Title Policy;**
  - Must show **City of San Antonio** as 2nd lien holder for total HIP80 DPA amount **without endorsements**
- 20. Appraisal Report** – copy
- 21. Final Appraisal Report** (applicable if Appraisal value was "subject to")

There forms are internal to HIP 120 and can be provided to you: (also available on our website <https://www.sanantonio.gov/NHSD/Programs/DownPayment>)

1. Certification of Zero Income (a form for adults in the household with zero income)
2. Zero Asset Affidavit (a form for adults in the household with no assets)
3. Lender's Cover Sheet

**Please do not send any extra documents that are not listed on this checklist.**

**HIP staff will contact you if more documentation is necessary.**

***COSA – NHSD reserves the right to return and or suspend incomplete packets***

## REALTOR'S INFORMATION SHEET

### AN INFORMED SELLER AND BUYER ARE THE BEST CUSTOMERS!

- ❖ First-time homebuyer(s) must not have owned a home in the last 3 years.
- ❖ Also they are required to enroll in an 8 hour HUD approved certified Homebuyer Education Course from the list that is available on the City of San Antonio webpage.  
<https://www.sanantonio.gov/NHSD/Programs/DownPayment> and submit a certificate of completion form prior to closing.
- ❖ In addition to this, the buyer must also watch our short HIP orientation video that is on our webpage.
- ❖ See all HIP 120 Guidelines for income qualifications and other pertinent information.

### What type of house qualifies?

1. The house to be purchased must be located within the City of San Antonio. You can conduct a search by address in [www.bcad.org](http://www.bcad.org) to verify that "City of San Antonio" is a taxing jurisdiction.
2. The home can be existing or complete new construction inventory.
3. The maximum sales price of an **existing home** shall not exceed **\$236,000** The maximum sales price of a completed inventory **completed inventory new construction home** shall not exceed **\$251,000**.
4. Eligible Property Types include any property that will serve as the purchaser's principal residence, including:
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  - **A Condominium unit;**
    - A condominium is a unit in an apartment house, or other multiple-unit complex, the units of which are individually owned, each owner receiving a recordable deed to the individual unit purchased, including the right to sell, mortgage, etc. That unit and sharing in joint ownership of any common grounds, passageways, etc.
  - **A manufactured home;**
    - The manufactured housing must be connected to permanent utility hookups.
    - The manufactured housing must be located on land that is owned by the manufactured housing unit owner

- **The home can be existing or complete new construction inventory**
  - Any existing and complete new construction inventory homes that are acquired for homeownership (e.g., down payment assistance) must be decent, safe, sanitary, and in good repair. A newly constructed unit must also meet the City's universal design ordinance.

## **HIP Property Review / Uniform Physical Conditions Standards (UPCS) Inspection**

1. Existing housing that is acquired for homeownership (e.g. down-payment assistance) must be decent, safe, sanitary, and in good repair. The housing must meet all applicable State and local housing quality standards and code requirements and the housing does not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (Uniform Physical Condition Standards) issued pursuant to 24 CFR 5.705. The City must inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of GENERAL assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet the standards of this paragraph (c)(3) or it cannot be acquired with GENERAL funds. *\*\*GENERAL funds may not be used for the required repairs.\*\**
2. COSA staff will review property inspection report to complete the *HIP Property Review/ UPCS*. In accordance with HUD regulations, all homes built prior to 1978 will receive visual lead based paint assessment. If applicable, a lead clearance test will be required on stabilized area(s) in accordance with 24CFR part 35.1015. For information on visual assessments and/or inspections for lead base paint issues, contact Environmental & Consumers Safety at 1-888-778-9440. The National Lead Information Center Clearing House has specialists available to answer any of your questions regarding lead issues at 1-800-424-5323; website: [www.epa.gov/lead](http://www.epa.gov/lead).
3. The *HIP Property Review / UPCS* form may uncover City code violations that will need to be addressed prior to closing the loan. The house must meet the house review standards for approval of HIP funds. The Property Review is not a substitute for the TREC inspection report but is used to comply with HUD regulations.
4. Condition of unit must be safe, decent and sanitary. Must meet all City Building Codes and federal standards including Environmental, Lead Based Paint, and HIP Property Review Uniform Physical Conditions Standards (UPCS) Inspection to be completed by COSA staff. HIP Property Review & UPCS Inspection is not a substitute for the TREC final inspection report.
5. The buyer should not pay for any of these repairs as they do not own the home.
6. Once repairs are completed, a second TREC inspection (Property Inspector Report) will be required by the same inspector, to ensure all required repairs identified in the initial HIP/UPCS Property Review were completed in a satisfactory manner.

7. Unit must contain adequate living space. HIP 120 funds are governed by certain Federal Regulations to ensure that funds are not used to contribute to overcrowded housing conditions. Refer to Page 13 for Occupancy Standards.
8. If the property to be purchased is located in flood plain area, the homeowner must maintain flood insurance for the term of the loan.

\*\*\*\*\*

**Please send the following as soon as they are available.** The HIP 120 team will use these documents to open a new file and conduct the HIP / UPCS Property Review even though your lender file may not yet be complete.

1. Copy of purchase contract receipted by the Title Company; including all addenda.
2. Copy of the Property Inspection Report for the subject property **(This also includes completed new construction**

**Property Inspection Report will be reviewed by COSA personnel to process COSA HIP/UPCS Property Review Form. A third-party inspector secured by COSA NHSD will inspect the property for any needed repairs connected to health, safety and code violations. Realtor, lender and buyer will be advised of any required repairs within 5-7 business days (the clock starts when we receive the required documents). If the property does not pass the compliance inspection, COSA must be notified to proceed with the loan process when all discrepancies are corrected.**

\*\*\*\*\*

- Once the buyer is credit approved and the minimum \$500.00 Earnest Money contract is receipted, advise the lender to submit the loan packet to COSA-NHSD for processing. The time frame is 30-45 days to close.
- Please follow up with the lender to verify that a **complete** loan packet has been submitted to COSA-NHSD staff within two weeks of receiving the COSA HIP/UPCS property review results.
- Advise Lender to wait on ordering appraisal pending HIP Property Review results on existing properties.
- Once the loan packet is Clear to Close and the HIP120 amount is approved; please allow COSA
- 72 hours to prepare closing documents and generate a funds wire request. NHSD staff will wire transfer funds directly to the title company for funding the closing transaction.
- The purchaser will some closing costs to pay which are not covered through the HIP120 General Program. Please see further down for a list of [HIP 120 Approved/Disapproved Closing Costs](#).

***Communication is the key. Please remember to keep all parties informed on any changes that will affect the loan qualification process.***

## HIP120 ESTIMATED LOAN CALCULATION FORM

Borrower: \_\_\_\_\_

New Address: \_\_\_\_\_

1. A final balanced Closing Disclosure (CD) must be sent via e-mail to CITY for approval before closing.
2. CITY funds will not be released until CITY receives a signed C.D. by e-mail.

The Assistance in the amount of \$ _____ is to applied as follows:	Allowable Amount
<b>Down Payment:</b> FHA down payment amount from lenders LE page 2 Down payment/Funds from Borrower, CONVENTIONAL (Per lender's qualifying guidelines) & VA (N/A) / All approved down payment amounts are subject to review by NHSD Loan Officer	\$
<b>LENDER CLOSING COSTS</b>	
<b>Loan Origination Fees</b> (up to 1% of loan amount, if any) <b>do not</b> Include Application Fees, Administration Fees, Participation Fees, Discount Fees or Buy-down Fees.	\$
<b>Processing Fee (up to \$500)</b>	\$
<b>Underwriting Fee (up to \$500)</b>	\$
<b>Discount Fees or Buy-down Fees (up 2 points)</b>	\$
<b>Lender Commitment Fee</b>	\$
<b>Appraisal</b>	\$
<b>Final Appraisal Report (if apply)</b>	\$
<b>Credit Report</b>	\$
<b>Document Preparation/Attorney Fees</b>	\$
<b>Flood Certification</b>	\$
<b>Verification of Employment-Verification of Deposit</b>	\$
<b>TITLE COMPANY CLOSING COSTS</b>	
<b>Closing Fee/Settlement Fee</b>	\$
<b>Title Commitment Fee/Lender Title Insurance</b>	\$
<b>Courier Fees</b>	\$
<b>Notary Fees</b>	\$
<b>Survey</b>	\$
<b>Owner's Title Insurance Policy</b>	\$
<b>Recording Fees (include the recording fees to City Deed of Trust (10 pages) &amp; the Declaration of Restrictive Covenants, (3 pages)</b>	\$96.00 CoSA \$_____ 1 <sup>st</sup> lien docs
<b>Transfer and HOA fees</b>	\$
<b>PREPAIDS</b>	
<b>Accrued Interest (up to 15 Days) \$_____ per day/days)</b>	\$
<b>Fire and Extended Coverage (14 months)</b>	\$
<b>OTHER</b>	
<b>Independent Inspections:</b>	
<b>Property Inspection Report</b>	\$
<b>Second Property Inspection Report</b>	\$
<b>Lender Final Inspection/Lead Final Clearance</b>	\$
<b>Pest Inspection</b>	\$
<b>TOTALS:</b>	<b>\$</b>

## CLOSING INSTRUCTIONS

1. Closing Disclosure must be submitted and approved **3** days prior to closing.
2. The Down Payment Assistance amount wire will be received the day of closing.
3. If the full 15 days of interest is not used, the overage may not be applied to other closing costs without City approval.
4. Insurance coverage must be in an amount not less than the combined loans and carry mortgagee's clause payable to City of San Antonio. (see below clause).
  1. Mortgagee Clause: *City of San Antonio, Loan Servicing, 1400 S. Flores St., San Antonio, TX 78204*
5. CITY requires a Mortgage Loan Policy, in the amount of CITY 2<sup>nd</sup> lien **without endorsements.**
6. Any excess funds are to be returned to CITY and must to be listed on C.D. under adjustments as Line Item: "Funds Returned to City" or "Overage to City"
7. Funds returned to COSA-NHSD after closing due to an overage of HIP120 General assistance are applied to the forgivable loan as a principal reduction.

**Please email the signed 2<sup>nd</sup> lien Closing Documents and Closing Disclosure (CD) to Loan Officer for funding approval prior to closing.**

**2<sup>nd</sup> Lien Closing package:** As soon as possible after closing, please **MAIL OR COURIER** the following documentation to **CITY of San Antonio, 1400 S. Flores, San Antonio, Texas 78204** to the attention of HIP Loan Officer.

### **Executed Documents:**

#### **Recorded Documents separately:**

1. Deed of Trust (10 pages)
2. Declaration of Restrictive Covenant of Affordability (3 pages)

## HIP 120 APPROVED/ DISAPPROVED CLOSING COSTS

### CLOSING COSTS:

Appraisal

Appraisal Final Appraisal Report

Attorney's Document Preparation

Closing Fee/Title Company

Commitment Fee

Credit Report

Courier Fees

Flood Certification

Lead Clearance Report – 1 time only Origination Fee - up to 1% Mortgage loan

Discount Fees/Buy-down Fee - up 2 Points

Processing Fee lender – up to \$500

Underwriter Fees – up to \$500

Notary Fees

Pest Inspection

Property Inspection Report

Second Property Inspection Report

Recording Fees

Survey

Title Insurance

Transfer HOA Fees

Homeowners Insurance

Verification of Employment Fee

Mortgage Credit Certificate Fee – MCC

Flood Insurance

### PREPAIDS:

Accrued Interest - up to 15 days

Homeowner's Ins. - up to 2 months

Flood Insurance - up to 2 months

## **DISALLOWED Costs**

Application Fee

Administrative Fees Closing

Investor Fee Commission (Real Estate)

Finder's Fees,

Servicing Fees

Mortgage Insurance Premium (MIP) Participation Fee

Property Taxes

Recording Fee Assignment to Investor Repair Escrow Fee

Tax Certificate

Tax Service Fee

Homeowner Warranty



**CITY OF SAN ANTONIO  
NEIGHBORHOOD & HOUSING  
SERVICES DEPARTMENT**

**Homeownership Incentive Program (HIP 120 – General Program )**

**Lender’s Cover Sheet**

*Submit this completed form with your loan package*

<b>Mortgage/Lender Name</b>	
<b>Loan Officer</b>	
<b>Phone</b>	
<b>Email</b>	
<b>Processor</b>	
<b>Phone</b>	
<b>Email</b>	
<b>Title Escrow Officer name and email address</b>	
<b>Subject Property:</b>	
<b>Number of Bedrooms:</b>	<b>HIP 120 General Funds Requested: \$</b>

**HOUSEHOLD MEMBERS (All Adults and Children)**

	<b>Full Name &amp; Borrower Email address</b>	<b>Age</b>	<b>Gender</b>	<b>Relationship</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

Please E-mail Documents to:  
City of San Antonio, Homeownership Incentive Program (HIP 120)  
1400 S. Flores, San Antonio, Texas 78204