

Forsyth County Government

Community & Economic Development



HOMEBUYER ASSISTANCE PROGRAM

ASSISTANCE POLICY & UNDERWRITING GUIDELINES

January 1, 2025 – June 30, 2025

Forsyth County Government Center

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FORSYTH COUNTY
Homebuyer Assistance Program
Assistance Policy & Underwriting Guidelines

ASSISTANCE POLICY

1.0 PROGRAM OBJECTIVE

The Forsyth County Homebuyer Assistance Program provides assistance to low- and moderate-income persons and families for the purchase of their first home. Homeownership is essential to achieving the American dream, creating stable and thriving communities as well as inter-generational wealth for families. Forsyth County's Community & Economic Development department's program objective is to:

- provide thorough knowledge of homeownership through homebuyer education and counseling,
- ensure that the homebuyer is ready to acquire housing and can sustain homeownership, and
- assist with funding deficiencies by providing down payment and closing cost assistance to allow homebuyers to purchase affordably.

These objectives are accomplished by working with local Lenders, Realtors, and Forsyth County's Partners in Educating Future Homebuyers:

Center for Homeownership

7280 North Point Blvd., Suite #100, Winston-Salem, NC 27106

www.financialpaths.org/homeownership

336-773-0286

Housing Foundation of America, Inc.

122 N. Elm Street, Suite #525, Greensboro, NC 27401

www.homeapproved.org/live-workshops

336-780-7530

2.0 FUNDING SOURCES AND AVAILABILITY

2.1 FUNDING AVAILABILITY

- i. Funds are provided by the United States Department of Housing and Urban Development (HUD). HUD's HOME Investment Partnership Program funds are awarded to the Winston-Salem/Forsyth County Housing Consortium to administer the County's Affordable Home Ownership Program (AHOP). The County's grant period is July 1 – June 30 each year. Funds are processed and disbursed on a first come, first served basis to eligible homebuyers until program funding is depleted.

AHOP-HOME funds will be limited to properties located outside of the city limits of Winston-Salem with a maximum household area median income (AMI) of 80% and a maximum purchase price within HUD limits.

- ii. Funds are provided through the North Carolina Housing Finance Agency (NCHFA). Agency funds are awarded to Forsyth County through the Community Partners Loan Pool (CPLP) program. The County's grant period is January 1 – December 31 each year. Funds are processed and disbursed on a first come, first served basis to eligible homebuyers until program funding is depleted.

CPLP funds are available to eligible buyers for the purchase of existing and new construction properties located within Forsyth County, including the city limits of Winston-Salem.

- iii. Funds are provided through the County's Interlocal Agreement with the City of Winston-Salem. Community Development Block Grant (CDBG) funds and HOME Investment Partnership (HOME) funds are awarded to the City of Winston-Salem through the United States Department of Housing and Urban Development (HUD). The City of Winston-Salem contracted Forsyth County to administer these HUD funds during the period of September 21, 2023 to June 30, 2026. Funds are processed and disbursed on a first come, first served basis to eligible homebuyers until program funding is depleted.

These contracted funds are exclusively for existing and new construction properties located within the city limits of Winston-Salem.

2.2 LEVERAGED FUNDING/OTHER FUNDING SOURCES

Any other funding sources used in the purchase transaction must have a firm, written commitment, and must be disclosed on the offer to purchase contract and/or residential mortgage application or other approved written documentation with all terms, conditions, or applicable amendments disclosed.

3.0 AMOUNT OF ASSISTANCE

3.1 FUNDING AMOUNT(S)

The amount of program assistance is based upon income, household size, and the homebuyer's needs. Eligible homebuyers may receive up to \$70,000 for down payment and closing cost assistance in any area within the Forsyth County limits. Eligibility factors will apply.

Factors used in determining assistance amounts:

- Homebuyer financial resources
- Contract purchase price [Note: May not exceeds HUD Maximum Sales Price Limit]
- Debts
- Other source funding availability
- Loan program type
- Seller contribution
- Loan discounts/fees
- Housing and Debt-to-Income Ratios

3.2 MAXIMUM ASSISTANCE AMOUNT

Unless special circumstances or programs apply, the maximum amount of assistance that may be awarded to an eligible buyer is \$70,000 [AHOP-HOME maximum \$20,000 and CPLP maximum \$50,000]; the program will only provide the minimum amount of funds necessary to qualify for a loan. The Housing Loan Officer will use the loan and/or closing-cost estimate, provided by the lender, to confirm the minimum amount of funds needed for the homebuyer to qualify for a loan. The County's financing cannot exceed 25% of the purchase price.

FCCED has the following funding assistance options for eligible homebuyers:

- Up to \$20,000 or twenty-five percent (25%) of the sales price, whichever is less from the AHOP-HOME funds.
- UP to \$50,000 or twenty-five percent (25%) of the sales price, whichever is less from the CPLP funds.
- Up to ten percent (10%) of the sales price when used in combination with a USDA Rural Development 502 loan (Direct Purchase and Construction-to-Permanent).

3.3 MINIMUM ASSISTANCE AMOUNT

The minimum amount of assistance allowable to an eligible buyer is \$1,000.

4.0 ELIGIBILITY

To qualify for assistance, buyers must meet the preliminary eligibility criteria as follows:

4.1 FIRST-TIME HOMEBUYER STATUS

The homebuyer must meet one of the following criteria per HUD/FHA guidelines:

- An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

4.2 PRIMARY RESIDENCE

The homebuyer must occupy the home as a principal residence during the loan term. A declaration of restrictions will be signed at closing acknowledging this condition. Sale or rental of the property will be an event of default of the loan terms. Homebuyers must occupy the property within 60 days of signing the security instrument at Closing.

4.3 INCOME LIMIT

The homebuyer's household total compliance income cannot exceed 80% of the Area Median Income (AMI) for the Winston-Salem HUD Fair Market Rate (FMR) Area. Income limits are published annually by HUD.

80% AMI threshold limits for 2024 are listed below and are subject to annual updates.

1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$45,850	\$52,400	\$58,950	\$65,500	\$70,750	\$76,000	\$81,250	\$86,500

Effective June 1, 2024

Current income limits are also available [online](#) or by contacting program staff.

5.0 GENERAL PROGRAM REQUIREMENTS

The Homebuyer Assistance Program purpose is to provide financial assistance to eligible homebuyers to aid in achieving affordable homeownership. Federal funds may be utilized for down payment and closing costs. These funds are provided by the Housing and Urban Development (HUD), Winston-Salem/Forsyth County Housing Consortium, North Carolina Housing Finance Agency (NCHFA), and Forsyth County. To ensure the program operates effectively and equitably, the following general requirements apply:

5.1 PROGRAM LIMITATIONS

Assistance is available only for first-time homebuyers, as defined by HUD guidelines. Properties purchased must be located within Forsyth County's Tax Jurisdiction. Combined maximum CPLP and AHOP-HOME assistance amounts are not to exceed \$70,000 per household. Assistance is limited to single-family homes, townhomes, or FHA-Approved condominiums, NEW Manufactured and NEW Modular homes that meet HUD's property standards. An eligible homebuyer's total household compliance income cannot not exceed 80% of the Area Median Income (AMI) for Forsyth County, NC.

5.2 HOMEBUYERS EDUCATION CLASS

Completion of an 8-hour HUD-approved homebuyer education class conducted by a HUD-approved agency and Instructor is mandatory for all program participants. Proof of completion must be provided before funds are disbursed. Classes can include topics such as budgeting, understanding mortgages, and home maintenance.

Additionally, a 2-hour one-on-one homebuyer consultation with a HUD-certified counselor must be completed for approval of CPLP funding.

5.3 PREFERRED LENDERS & REALTORS

Homebuyers are encouraged to work with Lenders that have completed the annual Lender & Realtor training workshop hosted by Forsyth County's CED Department. Preferred Lenders and Realtors are vetted to ensure compliance with program requirements and fair lending practices. A list of Preferred Lenders & Realtors will be provided upon request.

5.4 REAL ESTATE REPRESENTATION

Participants are encouraged to work with a licensed Real Estate Broker. Brokers must adhere to ethical practices and standards required by the NC Real Estate Commission, including full disclosures/representations of property conditions and buyer representation. Homebuyers may use Brokers of their choosing, provided the Broker is not affiliated with any predatory practices. Matters involving violations, unethical practices and

representations will be referred to the NC Real Estate Commission.

5.5 FAIR HOUSING/FAIR LENDING

All program activities must comply with the Fair Housing Act and Equal Credit Opportunity Act. Forsyth County CED does not discriminate on the basis of race, color, religion, national origin, ancestry, age, sex, familial status, physical handicap or disability in its employment opportunities, programs, services or activities. The program will take proactive measures to prevent and address housing discrimination. Complaints related to Fair Housing, Fair Lending or Equal Credit Opportunities will be referred to the appropriate Regulatory Agency(ies).

5.6 INTERPRETATION/TRANSLATION

Interpretation and translation services will be made available to program participants with limited English proficiency (LEP). Written materials will be translated into Spanish as needed to ensure accessibility. Requests for language assistance can be made at any stage of the program.

NOTE: Identification or Request for translation services other than Spanish will be accommodated as needed.

6.0 QUALIFYING LOANS

6.1 LOAN TERMS

The terms for both AHOP-HOME and CPLP down payment assistance programs are 0% "Silent" loans with repayment deferred for thirty (30) years provided the purchaser continuously resides in the property as their primary residence during the Affordability Period per HUD guidelines. The loan is repayable when the 1st mortgage has been paid in full, upon transfer of title, cash-out refinance, foreclosure, default or demise.

NOTE: If home is inherited by an income-eligible heir, the loan may roll over or a new loan issued.

*Down payment, closing cost, and/or gap financing subject to change without notice based upon funding availability.

6.2 LOAN TYPES

FCCED provides down payment assistance with the AHOP-HOME (Affordable Homeownership Opportunity Program) funds. The funds are provided by Housing and Urban Development (HUD) to the Winston-Salem/Forsyth County Housing Consortium.

FCCED provides down payment assistance with CPLP (Community Partners Loan Pool) funds provided by NC Housing Finance Agency.

6.3 ELIGIBLE EXPENSES & CLOSING COSTS

The down payment may be utilized for the costs of acquiring single family housing and the reasonable, but necessary soft costs incurred by the homebuyer that are associated with the financing of the property. Necessary soft costs include those items that are incidental

to the purchase of the property and may include:

- Processing and settlement costs
- Lender origination fees, max 1.5% of the loan amount
- Credit reports
- Fees for title evidence
- Fees for recordation and filing of legal documents
- Appraisal fees
- Escrow accounts to pay for up to 6 months of real estate taxes and one year of hazard insurance (homeowner's insurance)
- First-time Homebuyer Education fee(s)

6.4 INELIGIBLE EXPENSES

The down payment assistance may not be used for the following Costs or Expenses:

- Due Diligence or Earnest Money Deposits
- Professional Home, Radon, Pest or Lead-based Paint Inspections
- Costs related to Structural Inspections
- Property repairs or escrow holdback
- Delinquent taxes, fees, and other charges that are the Seller's responsibility
- Costs related to new construction of housing
- Rental assistance
- Costs related to relocation or moving
- Costs related to Utility transfer or start-up

6.5 HOMEBUYER REFUND AT CLOSING

Borrowers cannot receive funds back at closing that exceed \$2,500 regardless of amount contributed from any source. All down payment funds must be used for Down Payment or Closing Expenses. Cash back above \$2,500 must be applied towards reducing the principal balance of either the AHOP-HOME or CPLP loans. Also, any cash back at closing must receive prior approval.

7.0 CALCULATION OF INCOME

Homeownership frequently requires funds to maintain the home and respond to unforeseen repairs or other household expenses. Borrowers must be able to demonstrate that they will have adequate residual monthly income after all housing expenses (payment, interest, taxes, insurance, maintenance, HOA, utilities, maintenance), revolving debts, and childcare expenses are considered.

7.1 WHAT IS ANNUAL INCOME?

Annual income is defined as the gross annual income of all adults expected to live in the residence being financed, including income received by a household member who is 18 years of age or older (except a full-time dependent student).

While some lenders gross up non-taxable income (*i.e., calculating a higher household income because of non-taxable income*) for the borrower, FCCED does not allow grossing up of qualifying or compliance income to meet program ratios.

To demonstrate that a borrower has sufficient income stability, FCCED follows insurer guidelines (FHA, Fannie Mae/Freddie Mac, USDA, VA) for the first mortgage product

the borrower is using. FCCED prefers to review two (2) years of consistent income, without gaps in employment or income, plus education history supported with W2s or profit and loss statements for those self-employed.

Annual income is the anticipated gross annual income from all sources received by all borrowers and household members, including all net income derived from assets for the 12-month period following the effective date of certification of income, exclusive of certain types of income as defined in [24 CFR 85 \(the Federal Regulations governing the HOME Investment Partnerships Program\)](#), [24 CFR 5.609 \(the Federal Regulations governing the Section 8 Definition of Annual income, which also lists income "Inclusions" and "Exclusions"\)](#), and [24 CFR Part 570 \(the Federal CDBG \[Community Development Block Grant\] program regulations\)](#). Compliance income is the anticipated projected future income based on current circumstances, which may include a recent job loss, a change in marital status, a recent promotion, etc. The twelve (12) month projection is calculated regardless of its likelihood to continue. If it is not feasible to anticipate a level of the income over a twelve (12) month period, the income anticipated over a shorter period may be annualized, subject to a re-determination at the end of the shorter period.

Exceptions: Certain temporary income changes, such as one-time bonuses, seasonal income, or mandatory over-time may not result in disqualification if they do not reflect sustained earnings. Exceptions will be evaluated on a case-by-case basis.

7.2 DETERMINING ANNUAL INCOME

FCCED calculates the Compliance Income for all homebuyers. The AHOP-HOME and CPLP down payment programs differ from other lender underwriting with respect to borrower eligibility requirements, calculating the household income (versus qualifying income), and timing of the approval process. The maximum household income must not exceed 80% of the Area Median Income adjusted for household size.

Unlike some loan programs which may calculate earned income or base income only for program eligibility purposes, FCCED requires that all income, both earned and unearned, be included for all household members over 18 years of age (**documented full-time students are exempt*).

7.3 VERIFICATION & TIMING OF INCOME

Income eligibility for FCCED homeownership assistance must be verified within six (6) months of closing or at the time of sales contract execution in the case of a home that is being built for the homebuyer takes longer than 6 months to construct. For ratios and demonstrating ability to repay, verification of employment/income would need to be resubmitted within 60 days of closing if underwriting review occurred at an earlier point due to construction.

For a standard purchase loan, verification of employment/income documents must be dated no more than 90 days prior to loan closing, or else recertification will be required. It is therefore advisable to make a preliminary determination of income level as early as possible. If a household is near the 80% of the Forsyth County Area Median income threshold, be advised that increases to the applicant's household income prior to loan closing could cause the homebuyer to exceed the maximum income limit for program

eligibility if the process takes longer than six (6) months.

7.4 REQUIRED THIRD-PARTY DOCUMENTATION

Third-party written verification of all household members over the age of 18 is required and will be used to determine total household annual income. Household members with no income will be asked to sign an *Affidavit of Zero Income*. If a household member over the age of 18 is a student, a current transcript or proof of enrollment from the school must be provided.

Calculated income must be supported by applicable third-party documentation such as:

- W-2 forms
- Verification of employment/income forms
- Minimum of 60 days of Year-To-Date (YTD) earnings not more than 90 days old
- Child support decrees - In cases where child support has been ordered, but not paid, on behalf of children in the household, the file must contain a statement to that effect.
- Documentation of payment history from child support enforcement authorities
- Divorce decrees and/or absolute judgements
- Filed Separation Agreement (recorded Free Trader language)
- Award letters for Social Security Benefits
- Award letters for Social Security Disability
- Award letters for Supplemental Security Income
- Documentation of full-time student status from educational institution
- Payroll ledgers
- Section 8 vouchers (Home Ownership Program)
- Year-to-date Profit & Loss statement and previous 2 years of tax returns (**for Self-Employed only*)
- Payments received for the care of foster children (reviewed on case-by-case basis as needed)

7.5 ASSISTANCE DENIAL - INCOME

Assistance may be denied if a homebuyer's household compliance income increases above the program's eligibility threshold 80% of the Area Median Income (AMI) at any point prior to final approval or the disbursement of funds.

i. Notification of Ineligibility

Homebuyers whose income exceed program limits will receive written notification, as well as their respective lender and realtor, detailing:

- The reason for ineligibility/denial.
- Information about other potential resources or programs that may assist them.

7.6 APPEALS PROCESS - INCOME

Homebuyers who believe their assistance was denied in error may submit a written appeal to forsythfthb@forsyth.cc within 5 days of receiving notification. Appeals will be reviewed by program administrators, and a decision will be communicated in writing within five (5) business days.

8.0 ASSESSMENT OF HOMEBUYER'S ABILITY TO PURCHASE

FCCED's responsible lending practices are to ensure the homebuyers' ability to repay the mortgage and sustain the purchased home comfortably while being good stewards of the provided government funds. Therefore, it is our responsibility to determine the appropriate amount of assistance for the homebuyer.

Note: the maximum amount of assistance may not be provided – only the reasonable and necessary amount to meet program compliance standards.

8.1 CREDIT

The homebuyer must be a reasonable credit risk with a minimum credit score of 600 for AHOP-HOME and a minimum credit score of 640 for CPLP (660 for new manufactured homes). Buyers with a middle credit score less than 640 are not eligible for CPLP participation.

The homebuyer must be able to obtain an affordable mortgage that is not more than one percent (1%) higher than NC Housing Finance Agency published rates. Non-traditional credit may be accepted.

For buyers with two credit scores, FCCED will use the lower of the two scores.

8.2 HOMEBUYER RATIOS

- i. FRONT-END RATIO - Homebuyers must have a Housing Ratio or "**Front End Ratio**" (*i.e., Principal, Interest, Taxes, and Insurance divided by the borrower's monthly income*) between 25% and 32% of their monthly household income.
Downpayment assistance may be reduced to ensure that the borrower(s) is contributing at least the minimum percentage toward their monthly housing payment.

NOTE: Housing ratios should be no higher than 1% above the established guideline with compensating factors.

- ii. BACK-END RATIO - The homebuyer's total Debt-To-Income (DTI) or "**Back-End Ratio**" cannot exceed 45% of their total monthly qualifying income. This means that after the total monthly housing payment is added to all other debts (*i.e., consumer credit debt, car loans, student loans*), the total of those payments cannot exceed 45% of their monthly household income.

NOTE: The maximum DTI for a NC Home Advantage Mortgage™ is 45%. The maximum DTI for a USDA 502 Direct loan is 41%.

When the homebuyer's DTI ratios raise underwriting concerns, FCCED may calculate a cashflow analysis to determine homebuyer's repayment ability. Homebuyers will be evaluated on a case-by-case basis and the following compensating factors examined, including but not limited to:

- Strong cash reserves after closing
- Strong cash flow after paying other living expenses
- Mortgage payment is significantly lower than the buyer's current rent
- Consistent work history

- Part-time or self-employment earnings that do not have the tenure yet to be included in qualifying income
- Home Owner Association (HOA) that maintain exteriors, Energy Efficiency certifications, or other enhancements that lower ongoing cost to live in home

8.3 STUDENT LOAN DEBT

For outstanding Student Loans, regardless of payment status, FCCED will use the following in calculating their total monthly debt:

- The payment reported on the credit report or the actual documented payment, when the amount is above zero; or
- 0.5 percent of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report is zero.
- No payments will be included in debt calculation for deferred, forgivable student loans when documentation is provided from the student loan servicer/provider.

8.4 INDIVIDUAL DEVELOPMENT ACCOUNT (IDA) MATCHING FUNDS

FCCED collaborates in operating an Individual Development Account (IDA) with Experiment in Self-Reliance, Inc., Financial Pathways of the Piedmont/Center for Homeownership, Housing Authority of Winston-Salem, Habitat for Humanity-Forsyth, as well as participating Lenders and Realtors interested in sponsorship opportunities solely benefiting the program.

The IDA funds are matching grant funds provided to the approved homebuyer not to exceed \$4K. All IDA matching funds will be available at the loan closing and reflected on the Closing Disclosure.

9.0 PROPERTY REQUIREMENTS

FCCED provides homeownership assistance to eligible homebuyers purchasing homes that are located within Forsyth County, North Carolina.

9.1 MAXIMUM PROPERTY SALES PRICE & PROPERTY VALUE

To be eligible for down payment assistance, the MAXIMUM Sales Prices may not exceed the limits set by HUD for Forsyth County, NC. The Maximum Sales Price limits are published annually.

FCCED requires that eligible properties have an appraised value equal to or greater than the sales price. All properties must also have an appraisal that has been conducted within six (6) months of closing to document value.

9.2 ELIGIBLE PROPERTY TYPES

Eligible properties can be new or existing single family, stick-built homes or modular homes; new manufactured homes built to HUD Code on permanent foundations; and townhouse or condominium units (condominiums must be Fannie Mae Approved when applicable). Federal regulations pertaining to manufactured homes may be referenced in the following Codes:

[1] Code of Federal Regulations 24 CFR 92.251(e)

[2] Code of Federal Regulations 24 CFR 203.43f (c)(i)

[NOTE: Note: Minimum middle credit score for new manufactured homes is 660]

9.3 NEW CONSTRUCTION/UNSOLD BUILDER INVENTORY

Newly constructed homes must obtain a Certificate of Occupancy (CO) before the homebuyer

can close on the home with down payment assistance. Homebuyers are never discouraged from obtaining a professional home inspection on new construction. Newly constructed homes that have been unoccupied for less than 12 months are eligible. However, if the property has been unoccupied for more than 12 months, the property will be classified as an existing home, even if never occupied, and will require additional housing inspections. (*see Existing Construction section)

9.4 EXISTING CONSTRUCTION

All existing homes must pass required property inspections. Copies of Inspection Reports must be submitted with request for down payment. Needed repairs or replacement must satisfactorily address health, safety, deferred maintenance, and durability issues for the homes to be eligible for assistance.

9.5 INSPECTIONS

All homes must meet HUD Property Standards. Property Standards ensure the following deficiencies threatening the property or buyer are adequately addressed:

- All threats to health and safety of the buyers (i.e. trip hazards, air quality, security, windows that do not stay raised when opened, doors that do not securely lock/unlock, electrical, plumbing)
- All major deferred maintenance issues
- FCCED discourages the purchase of properties where the homebuyer is responsible for maintaining the access road to the property. However, we will consider properties with a Private Road Maintenance Agreement
- Energy efficiency whenever possible (i.e. double-paned windows that have lost their seal/fogged, inadequate insulation)

NOTE: Items related to cosmetic issues differ from the above and are not related to the property standards entailed.

All inspections are the financial responsibility of the buyer.

- i. New Construction/Unsold Builder Inventory –
 - a. A Certificate of Occupancy (CO) must be obtained prior to purchase on all new construction homes.
- ii. Existing Construction – The following inspection must be conducted prior to closing on existing properties:
 - a. Home Inspection – performed by a licensed NC Home Inspector. The home inspection should cover the functionality of building systems and relative age of these systems. The home inspection should also document the age, based on manufacturer label of all major equipment and systems, including but not limited to water heater, HVAC system, roof and exterior. NOTE: There may be additional inspections required, such as Septic, Well or Structural.
 - b. Radon Inspection
 - c. Pest Inspection
 - d. Forsyth County Minimum Housing Code Inspection – A Code Enforcement Inspector must inspect the house and confirm that it meets these minimum standards. There is no charge for the Forsyth County Inspection.
- iii. Pre-1978 Homes - Existing houses built before 1978 must not have any Lead-Based Paint hazards / Defective Paint / Peeling Paint / Chipped Paint. Homes built before

1978 require additional inspections.

- a. FCCED will only consider the purchase of pre-1978 homes that have passed one of the following inspections/assessments:
 - i. Visual Assessment* demonstrating no deteriorating paint above HUD's [De Minimis level for lead-based paint under HUD's Lead Safe Housing Rule.](#) *minimum requirement
 - ii. Lead-based paint inspection including visual assessment documenting the condition of any paint found containing lead
 - iii. Lead-based paint Risk Assessment
 1. A Clearance Report must be obtained if lead-based paint hazards are identified.

*See Lead-Based Paint Visual Assessment Introduction & Forms

Re-inspections serve as proof of repairs and are required before a loan can be approved.

9.6 ASSISTANCE DENIED – PROPERTY

- i. Assistance may be denied if a property does not meet the Minimum Property Standards required by HUD ([24 CFR 200.926](#))
- ii. Notification of Ineligibility
 - a. Buyers who have selected a property that fails to satisfy the minimum property standards will receive written notification, as well as their respective lender and realtor, detailing:
 - i. The reason for ineligibility/denial.
 - ii. Reminder of program's required property standards

10.0 UNDERWRITING GUIDELINES

10.1 ASSET LIMITATIONS & AVAILABLE ASSETS

For eligibility purposes, all asset information must be listed on application documents. The asset limit is \$5,000 in liquid assets (including gifts) for AHOP assistance. There is no asset limit if utilizing CPLP funds. This does not include long-term retirement savings (i.e. pension, 401k and IRA accounts, or life insurance with a cash value).

10.2 GIFT FUNDS

Gift funds may be used against the purchase price and/or closing costs and are acceptable. The applicant must provide an executed gift letter and all additional supporting documentation required by the first mortgage lender. Forsyth County staff may decrease the amount of subsidy based on the buyer's amount of gift funds.

10.3 HOUSING CHOICE VOUCHER (HCV) - HOUSING AUTHORITY OF WINSTON-SALEM (HAWVS)

Buyers participating in the Housing Authority of Winston-Salem's Housing Choice Voucher may utilize a voucher. The amount of the HCV is not counted towards qualifying income; however, the HCV amount will be counted as a subsidy reducing the principal interest, taxes and insurance (PITI).

11.0 LOAN CLOSING

All loan closings must be conducted by a licensed Attorney located within the Winston-Salem/Forsyth County jurisdiction.

11.1 LIEN SECURING PROGRAM FUNDS

Downpayment assistance funds are secured by a Deed of Trust with Deed Restrictions and a Request for Notice with lien priority given based upon the amount of assistance provided. Deed of Trust, Deed Restrictions, and Request for Notice(s) will be filed with the Forsyth County Register of Deeds.

11.2 DPA FUND DISBURSEMENT PROCESS

All downpayment assistance funds are disbursed to the closing attorney at the loan closing.

11.3 OTHER REQUIRED PROGRAM DOCUMENTATION

Closing disclosures, buyer written agreements, promissory notes, and acknowledgements of loan terms will be collected at closing.

11.4 SECOND & THIRD MORTGAGEE CLAUSE

Based upon the funding source being utilized, the homeowner's insurance declaration must list Forsyth County Community & Economic Development as additional lien holder.

11.5 FLOOD INSURANCE

Flood insurance is required in North Carolina if your property is in a high-risk area and your mortgage is from a government-backed lender. However, even if your lender doesn't require it, you should consider purchasing flood insurance if you live in a moderate- or high-risk flood zone

12.0 LOAN POLICY

12.1 LOAN DEFAULT

If during the loan term any of the following events occur, the downpayment assistance becomes due and payable:

- Once the first mortgage has been paid in full,
- Sale or transfer of the property,
- Change in owner-occupancy status, and/or
- Default on first mortgage.

The homebuyer must contact Forsyth County staff for the pay-off amount and pay-off instructions.

12.2 REFINANCING/SUBORDINATION

Homebuyers may refinance with prior County approval. Consideration for loan subordination is subject to review and approval and is completed only when the new loan terms are reasonable.

Contact Forsyth CED staff for refinancing guidance, homeowner subordination policy guidelines, or payoff amount and terms.

12.3 AFFORDABILITY PERIOD/RECAPTURE PROVISION

The Affordability Period is the time in which a property must remain affordable to eligible households. The period of affordability shall in no event be less than the required minimum period of affordability under the applicable Program Regulations, which is thirty (30) years. The period of affordability is automatically terminated in the event of transfer

of title. See [24 CFR § 92.254\(a\)\(5\)\(i\)\(A\)](#). In the event the buyer transfers the sale of the property, FCCED shall have the right to demand the loan be paid in full.

FCCED shall follow the Recapture Provisions as defined by HUD, recouping the downpayment assistance funds once an assisted buyer is no longer residing in the principal residence as required by [24 CFR 92.254\(a\)\(4\)](#)

12.4 LOAN ASSUMPTION

Only heirs or devisees, in the event of the death of the buyer/sole owner or both owners in entirety, may assume loans. Heirs or devisees may assume the property so long as they complete the application process and are deemed eligible for assistance.

12.5 SHORT SALE/FORECLOSURE

For those buyers facing foreclosure or considering a short sale, Forsyth CED must be notified. Forsyth CED will assist the buyer with resources and discuss how this action will impact terms and conditions of program funding. Forsyth CED will make the appropriate referral to a HUD-approved housing counseling agency.

12.6 INSURANCE CLAIMS

Homeowners insurance must be obtained. In the event of a claim, Forsyth CED may be listed on the insurance check as a loss payee dependent upon lien position. If the senior lender does not take responsibility for escrowing the check and monitoring the repairs, the County may take on that role, and any unused balance may be applied to the County's loan.

13.0 EXHIBITS & FORMS

- Intake Checklist
 - Verification of Employment – *Sample*
 - Income Tax Affidavit - *Sample*
- Deed of Trust – *Sample*
- Declaration of Deed Restrictions – *Sample*
- Promissory Note – *Sample*
- Request for Notice - *Sample*
- Property Inspections
 - Lead-Based Paint Visual Assessment Introduction & Forms – *Sample*

Forsyth County Community & Economic Development

INTAKE REQUIRED DOCUMENTS

From Homebuyer:

- Copy of NC Issued Driver's License or Identification
- Copy of Social Security Card
- Applicable Income Verification:
 - Copy of Paystubs recent 2 months' worth
 - Copy of Child Support
 - Copy of Social Security or SSI/SSA/SD
 - Copy of Veterans Benefits
 - Copy of Pension or Retirement Benefits
 - Copy of Unemployed Affidavit
- Bank Statements – 3 most recent months
- Federal Tax Returns – 3 most recent years
- W-2s and 1099s – 3 most recent years
- Copy of Recorded Separation Agreement WITH Free-Trader Language OR Divorce Decree
- Copy of Homebuyer Education Certificate
- Copy of 1-1 Homebuyer Consult with HUD-certified Housing Counselor

From Co-borrower (if applicable):

- Copy of NC Issued Driver's License or Identification
- Copy of Social Security Card
- Applicable Income Verification:
 - Copy of Paystubs recent 2 months' worth
 - Copy of Child Support
 - Copy of Social Security or SSI/SSA/SDA
 - Copy of Veterans Benefits
 - Copy of Pension or Retirement Benefits
 - Copy of Unemployed Affidavit
- Bank Statements – 3 most recent months
- Federal Tax Returns – 3 most recent years
- W-2s and 1099s – 3 most recent years
- Copy of Recorded Separation Agreement WITH Free-Trader Language OR Divorce Decree

From Lender:

- Copy of **LENDER / REALTOR Agreement (IDA PARTICIPANTS ONLY)**
- Copy of Lender's Pre-Application Worksheet or Transaction Summary (If Applicable)
- Tri-merge Credit Report - **Homebuyer** **Co-borrower**
- Receipts or Proof (non-medical debts have been paid / settled / satisfied, if not updated on the Credit Reports)
- Profit & Loss Statement (if applicable)
- Form 1005 Verification of Employment (if applicable) - **Homebuyer** **Co-borrower**
- Copy of **LOAN ESTIMATE** or Transaction Summary
- Copy of **SIGNED 1003 / Loan Application** – must have current rent and include ALL household occupants
- Copy of **NCHFA NC Home Affordable Mortgage LOCK CONFIRMATION**
- Copy of Full Appraisal [For **NEW and Existing Properties**]
- Complete **OFFER TO PURCHASE** contract (**Fully Executed**) w/Any & All Addendums
- Copy of 1st Mortgage Approval/Loan Commitment

Inspections Required

- Copy of **HOME** Inspection [NOTE: **For existing properties only**]
- Copy of **RADON** Inspection Report [NOTE: **For existing properties only**]
- Copy of **PEST** Inspection Report [NOTE: **For existing properties only**]
- Copy of **PASSED Section 8 Home** Inspection [NOTE: **For new or existing properties**]
- Copy of Lead-Based Paint Visual Inspection OR Risk Assessment (ALL PRE-1978 homes) (**If Applicable**)
 - Clearance Report Required (**If Applicable**)
- Copy of Repair Re-Inspection Report per Deficiencies Evidencing ALL Repairs (**If Applicable**)
- Structural Letter or Sewer/Septic Inspection (**If Applicable**)
- Copy of Certificate of Compliance and Occupancy (CO) (**If Applicable**)



PLEASE COMPLETE ALL THE RED-CIRCLED ITEMS BELOW.
RETURN FAX TO: (336) 727-2852
OR TO: FORSYTHCEDFTHB@Forsyth.cc
THANK YOU FOR YOUR HELP.

Request for Verification of Employment

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

Instructions: **Lender** – Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1.
Employer – Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in item 2.
The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.

Part I – Request

1. To (Name and address of employer)	2. From (Name and address of lender)
--------------------------------------	--------------------------------------

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of Lender	4. Title	5. Date	6. Lender's Number (Optional)
------------------------	----------	---------	-------------------------------

I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and Address of Applicant (include employee or badge number)	8. Signature of Applicant
---	---------------------------

Part II – Verification of Present Employment

9. Applicant's Date of Employment	10. Present Position	11. Probability of Continued Employment
-----------------------------------	----------------------	---

12A. Current Gross Base Pay (Enter Amount and Check Period) <input type="checkbox"/> Annual <input type="checkbox"/> Hourly <input type="checkbox"/> Monthly <input type="checkbox"/> Other (Specify) \$ _____ <input type="checkbox"/> Weekly	13. For Military Personnel Only Pay Grade _____ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">Type</th> <th style="width: 50%;">Monthly Amount</th> </tr> <tr> <td>Base Pay</td> <td>\$ _____</td> </tr> <tr> <td>Rations</td> <td>\$ _____</td> </tr> <tr> <td>Flight or Hazard</td> <td>\$ _____</td> </tr> <tr> <td>Clothing</td> <td>\$ _____</td> </tr> <tr> <td>Quarters</td> <td>\$ _____</td> </tr> <tr> <td>Pro Pay</td> <td>\$ _____</td> </tr> <tr> <td>Overseas or Combat</td> <td>\$ _____</td> </tr> <tr> <td>Variable Housing Allowance</td> <td>\$ _____</td> </tr> </table>	Type	Monthly Amount	Base Pay	\$ _____	Rations	\$ _____	Flight or Hazard	\$ _____	Clothing	\$ _____	Quarters	\$ _____	Pro Pay	\$ _____	Overseas or Combat	\$ _____	Variable Housing Allowance	\$ _____	14. If Overtime or Bonus is Applicable, Is Its Continuance Likely? Overtime <input type="checkbox"/> Yes <input type="checkbox"/> No Bonus <input type="checkbox"/> Yes <input type="checkbox"/> No 15. If paid hourly – average hours per week _____ 16. Date of applicant's next pay increase _____ 17. Projected amount of next pay increase _____ 18. Date of applicant's last pay increase _____ 19. Amount of last pay increase _____						
Type	Monthly Amount																									
Base Pay	\$ _____																									
Rations	\$ _____																									
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Quarters	\$ _____																									
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Variable Housing Allowance	\$ _____																									
12B. Gross Earnings <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Type</th> <th>Year To Date</th> <th>Past Year</th> <th>Past Year</th> </tr> </thead> <tbody> <tr> <td>Base Pay</td> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Overtime</td> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Commissions</td> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Bonus</td> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> <tr> <td>Total</td> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> </tbody> </table>			Type	Year To Date	Past Year	Past Year	Base Pay	\$ _____	\$ _____	\$ _____	Overtime	\$ _____	\$ _____	\$ _____	Commissions	\$ _____	\$ _____	\$ _____	Bonus	\$ _____	\$ _____	\$ _____	Total	\$ _____	\$ _____	\$ _____
Type	Year To Date	Past Year	Past Year																							
Base Pay	\$ _____	\$ _____	\$ _____																							
Overtime	\$ _____	\$ _____	\$ _____																							
Commissions	\$ _____	\$ _____	\$ _____																							
Bonus	\$ _____	\$ _____	\$ _____																							
Total	\$ _____	\$ _____	\$ _____																							

20. Remarks (If employee was off work for any length of time, please indicate time period and reason)
 Note: For WS/FC School System Employees: The Employee is paid _____ 10 months _____ 12 months

Part III – Verification of Previous Employment

21. Date Hired	23. Salary/Wage at Termination Per (Year) (Month) (Week) Base _____ Overtime _____ Commissions _____ Bonus _____
22. Date Terminated	25. Position Held
24. Reason for Leaving	

Part IV – Authorized Signature - Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistant Secretary.

26. Signature of Employer	27. Title (Please print or type)	28. Date
29. Print or type name signed in Item 26	30. Phone No.	



Income Tax Affidavit

State of North Carolina
County of _____

I, the undersigned, being first duly sworn state the following:

1. Complete section (a) only if you were not required by law to file federal income tax returns for any year during the preceding three years.

_____ (a) I certify that I was not required by law to file a federal income tax return for the following year(s) _____ for the reason(s) stated below:

Check section (b) only if the closing for the financing in connection with the Forsyth County Community & Economic Development will occur between January 1 and February 15, and you have not filed your federal income tax return for the prior year.

_____ (b) I certify that the mortgage loan closing in connection with the Forsyth County Community & Economic Development is occurring between January 1 and February 15, and that I have not yet filed my federal income tax return for the prior year. I further certify that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim, deductions for real estate taxes or interest on indebtedness with respect to my principal residence for that year.

2. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining the Borrower's eligibility for Forsyth County Community & Economic Development Assistance. **Fraudulent Statements** Any fraudulent statement will result in (i) the revocation of my Forsyth County Community & Economic Development Assistance, and (ii) a \$10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence** - Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a Forsyth County Community & Economic Development Assistance or funding of Forsyth County Community & Economic Development Assistance will result in denial of my application for a Forsyth County Community & Economic Development Assistance. If Forsyth County Community & Economic Development Assistance has been issued prior to the discovery of a fraudulent statement, then any Forsyth County Community & Economic Development Assistance issued will automatically become null and void without any need for further action by a Forsyth County Community & Economic Development Assistance. If Forsyth County Community & Economic Development Assistance has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and to institute foreclosure.

3. I have been advised by the Lender to consult a tax accountant or to calculate my federal tax consequences as a result of participating in the Forsyth County Community & Economic Development Assistance program and not to rely solely on any statements made by the Lender or a Forsyth County Community & Economic Development .

Date

Signature of Borrower

Date

Signature of Co-Borrower/Co-Occupant

STATE OF _____
COUNTY OF _____

I certify that _____ personally appeared before me this day, and acknowledged to me that he or she signed the foregoing document for the purposes stated therein.

Witness my hand and official stamp or seal, this the ____ day of _____, 20__.

(Apply Notary Seal)

Signature of Notary Public _____

My Commission expires _____

Prepared by:
Return to: Forsyth County Housing
via interoffice mail

**FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM
DEED OF TRUST**

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

“Property Address”

THIS DEED OF TRUST made and executed this ____ day of _____, 20____, by and between _____ (the “Borrower”); GLORIA WOODS (the “Trustee”); and FORSYTH COUNTY (the “Lender”):

WITNESSETH:

THAT WHEREAS, the Lender agrees to advance to the Borrower the sum of Dollars (\$ _____) under the HOME Investment Partnerships Act, evidenced by the Promissory Note (the “Note”) from the Borrower to the Lender dated the same date as this Deed of Trust, which together with any amounts advanced to protect the security of this Deed of Trust shall be the total amount secured;

AND WHEREAS, it has been agreed that the Loan will be advanced subject to the terms and conditions for use of the property as set forth in the Note and this Deed of Trust, and which is repayable, if not sooner paid, on the date that is Thirty (30) years after the date hereof, all as provided in the Note or Upon sale of the residence.

AND WHEREAS, it has been agreed that the Loan shall be secured by the conveyance of the land described in this Deed of Trust;

NOW, THEREFORE, in consideration of the premises and for the purpose aforesaid and for Ten Dollars (\$ 10.00) paid by the Trustee, the receipt of which is hereby acknowledged, the Borrower has bargained and sold and by these presents does

bargain, sell and convey unto said Trustee, the Trustee's heirs, successors and assigns, the premises in Forsyth County, North Carolina, described as follows:

See Exhibit "A" attached hereto and made a part hereof.

together with all heating, plumbing and lighting fixtures and equipment now or hereafter attached to or used in connection with the premises (the "Property").

TO HAVE AND TO HOLD the Property, with all privileges and appurtenances thereunto belonging, to the Trustee, the Trustee's heirs, successors and assigns forever, upon the trust, terms and conditions and for the uses set forth in this Deed of Trust.

If there shall be any default in any of the terms, covenants or conditions of the Note, the terms of which are made a part of this Deed of Trust and incorporated by reference, or any failure or neglect to comply to the satisfaction of the Lender with the covenants, terms or conditions contained in this Deed of Trust, and if the default is not made good within the time period set out to cure such default, or if not is set out, within thirty (30) days, the Note shall, at the option of and upon demand of the Lender, at once become due and payable, and it shall be lawful for and the duty of the Trustee, upon request of the Lender, to sell the Property at public auction for cash, after having first given such notice of hearings as to commencement of foreclosure proceedings and obtained findings or leave of court as may be then required by law and giving notice and advertising the time and place of sale in the manner as may be then provided by law, and upon sale and any resells and upon compliance with the law then relating to foreclosure proceedings to convey title to the purchaser in fee simple. The proceeds of the sale, after the trustee retains his commission, shall be applied to the costs of sale, the amount due on the Loan and otherwise as required by the then existing law relating to foreclosures. The Trustee's commissions shall be five percent (5%) of the gross proceeds of the sale.

The said Borrower does hereby covenant and agree with the Trustee and Lender as follows:

1. **PAYMENT AND PERFORMANCE.** Borrower shall pay the Note and perform all other requirements at the times and in the manner provided in the Note and herein.

2. **RECAPTURE PROVISIONS.** In the event Borrower proposes (the "Proposal") to transfer (the "Sale") the Property (other than pursuant to an approved Assumption as defined in the Note) at a price that will not generate a sum (the "Net Proceeds") after payment of the First Loan as defined in the Note and all costs of Sale, which is sufficient to pay the Note in full, Lender agrees to accept the Net Proceeds in full satisfaction of the Note. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect fair market value of the Property, Lender shall have the right to demand that the Note be paid in full.

3. **INSURANCE.** Borrower shall keep the property and all improvements, now and hereafter erected, constantly insured for the benefit of the Lender against loss by fire, windstorm, and such other casualties and contingencies, in the manner and with companies as may be satisfactory to Lender. The amount of the insurance required by this provision shall be the lesser of either the amount of the loan secured by this Deed of Trust or 100% of the insurable value of the improvements on the Property. Borrower shall purchase such insurance and pay all premiums in a timely manner. In the event that Borrower fails to pay any premium when it is due, then Lender, at its option, may purchase such insurance. Such amounts paid by Lender shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower upon demand of the Lender.

4. **TAXES, ASSESSMENTS, CHARGES.** Borrower shall pay all taxes, assessments and charges as may be lawfully levied against the Property before the same shall become past due. In the event that Borrower fails to pay all taxes, assessments and charges as required, then Lender at its option, may pay them and the amount paid shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower upon demand of the Lender.

5. **WASTE.** The Borrower covenants that Borrower will keep the Property in good order, repair and condition, reasonable wear and tear excepted, and that Borrower will not commit or permit any waste on the Property.

6. **WARRANTIES.** Borrower covenants with Trustee and Lender that Borrower is seized of the Property in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Borrower will warrant and defend the title against the lawful claims of all persons whomsoever, except that title to the Property is subject to the following exceptions:

None (or if any, see Exhibit "B" which is attached hereto and incorporated herein by reference)

7. **SUBSTITUTION OF TRUSTEE.** Borrower and Trustee covenant and agree that in case the Trustee, or any successor trustee, shall die, become incapable of acting, renounce this trust, or for other similar or dissimilar reason become

unacceptable to Lender, or if the Lender desires to replace the Trustee, then the Lender may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the writing, the trustee thus appointed shall succeed to all the rights, powers and duties of the Trustee.

8. **CIVIL ACTIONS.** In the event that the Trustee is named as a party in any civil action as trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney fees of the Trustee in such action may be paid by the Lender and added to the Note secured by this Deed of Trust, and shall be due and payable by Borrower upon demand of the Lender.

9. **PRIOR LIENS.** Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinated shall constitute default under this Deed of Trust.

10. **SUBORDINATION.** Any subordination of this lien to additional liens or encumbrances shall be only upon the written consent of the Lender.

In addition to the Loan, Borrower has obtained a loan (the "First Deed of Trust Loan") from (the "Senior Lien Holder") in an original principal amount of \$ _____, which Loan is secured by a first lien on the Property (the "First Deed of Trust"). The documents evidencing or securing the First Deed of Trust Loan are collectively referred to herein as the First Deed of Trust Loan Documents. The Beneficiary agrees that this Deed of Trust is subordinate to the First Deed of Trust dated _____ and recorded in Book _____ at Page _____, Forsyth County Registry.

11. **RIGHT TO INSPECT.** To assure and protect its right in this Deed of Trust and the Property, the Lender shall have right of access and inspection of the Property at reasonable times and with reasonable notice to the Borrower.

12. **CONDEMNATION.** If the Property, or any part of the property, is condemned under any power of eminent domain, or acquired for public use, the damages, proceeds and the consideration for such acquisition, to the extent of the full amount of the indebtedness upon this Deed of Trust and if the Note remains unpaid, are hereby assigned by the Borrower to the Lender and shall be paid to the Lender to be applied by Lender on account of the indebtedness.

13. **WAIVER OF DEFAULT.** No sale of the Property and no forbearance on the part of the Lender and no extension of the time for the repayment of the debt secured hereby given by the Lender shall operate to release, discharge, modify, change or affect the original liability of the Borrower either in whole or in part. The Lender can, in its complete discretion, waive any default, and can waive by written instrument, in advance, any individual actions which might constitute a default.

14. **TRANSFER OF PROPERTY.** Beneficiary shall require immediate payment in full of all sums secured by this Deed of Trust if; all or part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent; or the Property is not occupied by Borrower as his or her principal residence.

15. **NOTICES.** Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or mailing it by first class mail. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Beneficiary. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any address

Beneficiary designated by notice to Borrower. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Beneficiary when given as provided in this section.

16. **ACCELERATION IN CASE OF BORROWER'S INSOLVENCY.** If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, or under any Federal Statute relating to bankruptcy, insolvency, arrangements or reorganization, or under any state bankruptcy or insolvency act or otherwise admits insolvency or is adjudged insolvent or a receiver is appointed for Borrower or the Property, then Beneficiary may, at Beneficiary's option, declare all of the sums secured by this instrument to be immediately due and payable without prior notice to Borrower. Any attorney fees and other expenses incurred by Beneficiary in connection with Borrower's bankruptcy shall be an additional indebtedness of Borrower secured by this Deed of Trust.

17. **HAZARDOUS MATERIALS.** Borrower warrants that:

- (a) the Property shall be kept free of Hazardous Materials;
- (b) Borrower shall not permit the installation, generation, transportation or release of Hazardous Materials in or on the Property;

- (c) Borrower shall at all times comply with all applicable Environmental Laws affecting the Property and shall keep the Property free and clear of any liens imposed pursuant to any environmental Laws; and
- (d) Borrower shall immediately give Beneficiary oral and written notice in the event that Borrower knows of a violation of these warrants or receives any notice from any governmental agency or other party with regard to Hazardous Materials affecting the Property.

Borrower hereby agrees to indemnify Beneficiary and hold Beneficiary harmless from any losses, liabilities, damages, injuries (including but not limited to attorney fees) and claims incurred or suffered by or asserted against Beneficiary, as a direct or indirect result of any warranty or representation made by Borrower in this paragraph (Hazardous Materials) being false or untrue in any material respect.

For purposes of this Deed of Trust, "Hazardous Material" means petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or any hazardous, toxic or dangerous waster, defined as such in the Environmental Laws.

For purposes of this Deed of Trust, "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, and "Superfund" or "Superlien" law, or any other federal, state or local law relating to standards of conduct concerning any petroleum products, and flammable explosives, radioactive materials, asbestos or any materials containing asbestos, and/or hazardous, toxic or dangerous waste.

18. **GOVERNING LAW.** This Deed of Trust is to be governed and construed in accordance with the laws of the State of North Carolina.

19. **SUCCESSORS AND ASSIGNS.** The covenants herein contained shall bind, and the benefits and advantages shall inure to the legal representatives, successors and assigns of the parties hereto.

IN TESTIMONY WHEREOF, Borrower(s) has executed this instrument under seal on the date first above written.

BORROWER:

_____(SEAL)

_____(SEAL)

NORTH CAROLINA, Forsyth County:
 I, _____, a Notary Public of the County of _____ and State
 aforesaid, certify that _____, Grantor(s),
 personally appeared before me this day and acknowledged the execution of the foregoing
 instrument. WITNESS my hand and official stamp or seal this _____ day of _____,
 20__.

SEAL - STAMP

 Notary Public

My commission expires: _____

The foregoing Certificate(s) of _____ is/are certified to be correct.

REGISTER OF DEEDS FOR FORSYTH COUNTY

By _____

Deputy/Assistant - Register of Deeds

Exhibit B

**FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM
DECLARATION OF DEED RESTRICTIONS**

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

THIS DECLARATION OF DEED RESTRICTIONS (the "Declaration") made and entered into this _____ day of _____, 20____, by and between _____ (the "Owner") for the benefit of and enforceable by FORSYTH COUNTY (the "Lender"):

WHEREAS, Owner is the owner of a certain tract of real property, more particular described as Exhibit "A" attached to Deed of Trust hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Lender has made a loan to Owner in the original principal amount of \$ _____ (the "Loan") evidenced by a Promissory Note dated _____, 20____ and secured by a Deed of Trust of even date with the Promissory Note; and recorded in Book _____, Page _____ Forsyth County Registry; and

WHEREAS, the Loan was made pursuant to a program (the "Program") and the regulations promulgated pursuant thereto (the "Program Regulations") as more fully described on the Rider #1 attached hereto and incorporated by reference herein; and

WHEREAS, as a condition of making the Loan to Owner, Lender has required and Owner has agreed to restrict the Property as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby represents, covenants, warrants and agrees:

1. Minimum Program Restrictions. At all times during the term of this Declaration the Owner and the Project shall comply with all regulations affecting a recipient owner and a qualifying project pursuant to the Program Regulations, as the same may be amended from time to time including, but not limited to the following:

The Project shall qualify as and shall be maintained as "affordable housing" as prescribed in the applicable Program Regulations (24 CFR §§ 92.254, 92.255) based on the Owner's application for Program assistance and shall be suitable for occupancy.

2. Term. This Declaration shall remain in full force and effect for a period of _____ years from the date hereof (the "Period of Affordability"), provided however, that the Period of Affordability shall in no event be less than the required minimum period of affordability under the applicable Program Regulations (the "Period of Affordability"). This Declaration shall automatically terminate in the event of transfer of title by foreclosure or by deed in lieu of foreclosure, or if pursuant to 24 CFR § 92.254(a)(5)(i)(A) assignment of an FHA insured mortgage to HUD, subject to automatic revival if, at any time during the remainder of the original Period of Affordability, the owner of record immediately prior to the termination event, or any entity that includes such former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or the Property. It is understood and agreed that the term of this Declaration may extend beyond

the term of the Loan or may be terminated by the Lender upon full and satisfactory repayment of the Loan prior to the full term of the Declaration at the sole discretion of the Lender.

3. Covenants to Run with the Land. The covenants, reservations and restrictions set forth herein (i) shall be deemed covenants running with the land and, shall pass to and be binding upon Owner, the Owner's heirs, successors and assigns in title to the Property and all subsequent Owners or operators of the Project and (ii) are not merely personal covenants of the Owner. The benefits shall inure to the Lender and any present or prospective tenant of the Project during the term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of North Carolina to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the Property and which touch and concern the Property, shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, and that an equitable servitude in the form of a negative easement has been created to insure that these restrictions run with the land. Each and every contract, deed or other instrument hereinafter executed covering or conveying the Property or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. If a portion or portions of the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project. Provided nothing herein shall be deemed to constitute Lender's consent for the transfer, sale or conveyance of the property or any portion thereof.

4. Compliance Monitoring. The Owner agrees to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Lender to inspect any books and records of the Owner regarding the Project which pertain to compliance with this Agreement. The Owner shall submit any other information, documents or certifications requested by Lender which the Lender shall deem reasonably necessary to substantiate the Owner's continuing compliance with the Program, Program Regulations and this Agreement.

5. Remedies; Enforceability. The Owner and Lender acknowledge that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Owner with the Program, Program Regulations and additional Lender restrictions. AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING THE LOAN FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE LENDER AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER THE PROGRAM (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO OBTAIN SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN ANY COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

The provisions hereof are imposed upon and made applicable to the Property and shall run with the land and shall be enforceable against Owner or any other person or entity that has or had an ownership interest in the Property at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach of violation hereof at any later time or times.

6. Amendment. This Declaration shall not be amended or, except as otherwise provided herein, terminated except by a written instrument, executed by the Lender and the Owner, or their successors and assigns, which amendment shall be duly recorded in the Office of the Register of Deeds for the county in which the Property is located.

7. Severability. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

8. Construction. Unless the context clearly requires otherwise, as used in this Declaration, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Declaration and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

9. Headings. The titles and headings of the sections of this Declaration have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, nor be considered or given any effect in construing this Declaration or any provisions hereof, or in ascertaining intent if any question of intent shall arise.

10. Governing Law. This Declaration shall be governed by the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Owner has executed this Declaration on the date first above written.

OWNER:

(SEAL)

RIDER # 1 TO DECLARATION OF DEED RESTRICTIONS

**FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM**

THE OWNER is the owner of a residence (the "Residence") located at:

Street:

City and County of: _____, FORSYTH

State of: NORTH CAROLINA

2. Owner understands that Forsyth County is assisting in the financing of the purchase of the above Residence with a second mortgage loan (the "Forsyth County HOME Loan"), made available by Federal funds (said Federal Funds hereinafter collectively referred to as the "HOME Funds"), provided through the provisions of the National Affordable Housing Act of 1990, HOME Investment Partnerships Program, and pursuant to the federal and Forsyth County rules and regulations promulgated thereunder herein said act, program, rules and regulations collectively referred to as the ("HOME Program"), which HOME Program is being administered by Forsyth County. The Owner has received benefits from this financing such as down payment assistance and savings in mortgage loan interest costs. As a result, the Owner is subjecting the Residence to requirements during the Period of Affordability as described in the Declaration.

3. Such Residence is and shall remain a one-family Residence

4. Owner shall occupy such Residence as Owner's principal residence within 60 days after the date of this Declaration and for the entire Period of Affordability.

5. Owner will not use the Residence primarily in a trade or business and will not deduct any portion of the cost of the Residence as a home business expense on Owner's state or federal income tax return(s).

6. Owner will not rent the Residence or any part of the Residence, or use the Residence as an investment property or as a recreational or "second" home.

A LEASE OR RENTAL OF THE RESIDENCE TO ANOTHER MAY RESULT IN LEGAL PROCEEDINGS TO ENFORCE THE REQUIREMENTS OF THE HOME SECOND MORTGAGE; AND,

ANY TRANSFER OF TITLE TO OR POSSESSION OF THE RESIDENCE OR ANY PORTION THEREOF (EXCEPT AS PERMITTED BY FEDERAL LAW) WITHOUT THE PRIOR WRITTEN APPROVAL OF FORSYTH COUNTY, MAY RESULT IN LEGAL PROCEEDINGS TO ENFORCE THE REQUIREMENTS OF THE HOME SECOND MORTGAGE; AND,

A SALE OF THE PROPERTY OR A REFINANCING OF THE FIRST AND SECOND MORTGAGES WITH ANOTHER LENDER WITHIN THE PERIOD OF AFFORDABILITY DOES NOT TERMINATE THE PERIOD OF AFFORDABILITY.

7. RECAPTURE PROVISIONS. In the event Borrower proposes (the "Proposal") to transfer the Residence (the "Sale") (other than pursuant to an approved Assumption, as defined in the Note), at a price that will not generate a sum (the "Net Proceeds"), after payment of the First Loan (as defined in the Note) and all costs of the Sale, which is sufficient to pay the Note in full. Forsyth County agrees to accept the Net Proceeds in full satisfaction of The Note. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect the fair market value of the Residence, Forsyth County shall have the right to demand that the Note be paid in full.

**FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM
PROMISSORY NOTE
DEFERRED PAYMENT LOAN**

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

DATE:

"Property Address"

FOR VALUE RECEIVED, the undersigned (the "Borrower"), jointly and severally, promises to pay to FORSYTH COUNTY (the "Lender") the amount of _____ **Dollars (\$_____)** (the "Principal Amount") with interest at the rate of Zero Percent (0%) per annum according to the terms herein, at the office of the Lender at 201 North Chestnut Street, Winston-Salem, North Carolina 27101, or at such other address designated from time to time in writing by the Lender.

1. **Loan.** This Note evidences a loan made by Lender to Borrower under the HOME Investment Partnerships Act and is subject to the regulations issued thereunder (Title II, the Cranston-Gonzalez National Affordable Housing Act, Public Law No. 1010625, 104 Stat. 4079 (1990), 24 CFR Part 92) (the "HOME Program"). The loan is secured by a Deed of Trust (the "Deed of Trust") dated the same date as this Note, and which is a second lien on the property (the "Property") described in the Deed of Trust. The Trustee is **Gloria Woods**. All terms of the Deed of trust are incorporated in this Note by reference, and any default under the Deed of Trust is a default under this Note.

2. **Amount Due.** The amount owed under this Note is the Principal Amount paid on behalf of the Borrower by Lender in accordance with Rule 24 CFR Part 92 and the Lender regulations, together with any interest which accrues pursuant to Paragraph 6 below, as part of a special home ownership program.

3. **Assumptions.** The Note May be assumed only on the prior written approval of the Lender. Housing purchased with assistance from a HOME Program must remain affordable to assumers according to the provisions of 24 CFR 92.254. Any assumer of this Note must meet the low-income home buyer income limits, occupancy and any other applicable requirements of the HOME Program and the Lender. All terms and conditions of the Note and the Deed of Trust shall remain in effect for any successor to Borrower and any successor shall assume all duties and obligations of the Borrower.

4. **Payment.** No monthly principal or interest payments are required. All unpaid Principal Amount of the loan shall only be due and payable on the earlier of the following dates (the "Due Date"):

1. The date the Property is sold or transferred by the Borrower, whether voluntarily or involuntarily or by operation of law, other than to a qualified assumer under Paragraph 3; or
2. The date a default occurs under the terms of any loan secured by a lien to which the Deed of Trust is subordinated (the "First Loan"); or
3. The date the Property ceases to be the principal residence of the Borrower; or
4. The date the debt evidenced by the First Loan is refinanced; or unless the Lender agrees to subordinate this loan
5. The maturity date of **the first mortgage or upon the sale of this residence.**

5. **Right to Prepay.** The Amount Due under this Note can be prepaid without any prepayment charge.

6. **Interest Payment.** Once the Principal Amount owed under this Note becomes due and payable pursuant to Paragraph 4, and is unpaid, the Borrower will pay interest on such amount from the Due Date at the rate of ten percent (10%) per annum, until fully paid.

7. **Default Remedies.** On default, the Lender May employ an attorney and the Borrower agrees to pay to the Lender all reasonable attorney fees plus all other reasonable expenses incurred by the Lender in exercising any of the Lender's rights and remedies on default. The rights and remedies of the Lender as provided by law, by this Note, and by the Deed of Trust shall be cumulative any may be pursued singly, successively, or together. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies.

8. **Governing Law.** This Note is to be governed and construed in accordance with the laws of the State of North Carolina.

9. **Assignment.** The Borrower consents to the assignment of this Note, transferring the Lender's right, title and interest.

IN TESTIMONY WHEREOF, Borrower has executed this instrument under seal on the date first above written.

BORROWER:

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

SAMPLE

REQUEST FOR NOTICE

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

In accordance with the provisions of G.S. 45-21.17A, request is hereby made that a copy of any Notice of Sale under the Deed of Trust (mortgage) recorded on _____, 20 in Book _____ at Page _____, Forsyth County Registry, North Carolina, executed by _____, as trustor (mortgagor) in which _____ is named as Beneficiary, and in which _____ are named as Trustee, be mailed to:

County of Forsyth
Attn: Daniel Kornelis
201 N. Chestnut Street, 4TH Floor
Winston-Salem, NC 27101

This the _____ day of _____, 20__.

_____, Attorney

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, the undersigned, a Notary Public of said County and State, do hereby certify that _____, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and notarial seal this the _____ day of _____, 20__

Notary Public

My Commission Expires: _____

(SEAL)

Lead-Based Paint Visual Assessment: Introduction

For Homes Constructed Before 1978

As a potential **purchaser** of a home constructed before **1978**, you must know:

1. The **seller must provide** all known records and documents of the presence of lead-based paint on the property. Any knowledge of lead-based paint hazards **MUST** be disclosed by the seller.
2. You are required, for your health, to review the EPA Pamphlet entitled “*Protect Your Family From Lead in Your Home*” which can be downloaded at: www.epa.gov/lead/protect-your-family-lead-your-home.
3. The seller must allow at least a **10-day period**, usually as part of the due diligence period, to conduct a lead-based paint visual assessment, inspection, or a full lead-based paint risk assessment to identify both the presence of lead-based paint and/or the location of lead-based paint hazards currently in the home.

A lead-based paint Visual Assessment examines the condition of the painted surfaces on the property. **It must be conducted by a certified Visual Assessor who documents if there is evidence of deteriorated paint that exceeds the HUD de minimis (minimum) levels.** The HUD de minimis levels are calculated differently for interior and exterior paint. **A visual assessment does not determine the presence or absence of lead.**

A **lead-based paint inspection** includes a visual assessment and provides a report of all the painted or glazed surfaces inside and outside the home and indicates which do and do not contain lead.

A **lead-based paint risk assessment** includes the elements of a lead-based paint inspection, but also includes soil and dust testing and the identification of frequently impacted friction surfaces like doors and windows that contain lead and will easily release lead dust during normal daily use.

IF you waive your right to order a lead-based paint inspection or lead-based paint risk assessment, a Visual Assessment **MUST** be conducted to examine the property for deteriorated paint. If the lead-based paint inspection or lead-based paint risk assessment shows there is no lead found on the property, then paint stabilization is not required.

Please note that a visual assessment will **NOT** identify the presence of lead, only the condition of the painted surface. Even if the visual assessment indicates that there are **NO** deteriorated painted surfaces, this does **NOT** mean that there is NOT lead in the paint. Painted surfaces must be carefully and safely maintained unless the property was inspected for the presence of lead and no lead was found **OR** documentation is provided showing that the lead was abated.

If evidence of deteriorated paint beyond the HUD de minimis levels is discovered, it **MUST** be stabilized before any down payment assistance is approved. If a contractor is used for the paint stabilization, the contractor must at be **RRP** or Renovation, Repair, and Painting certified. More information on RRP certification for contracting firms can be found at: <https://epi.publichealth.nc.gov/lead/rrp.html>.

After the deteriorated paint is stabilized and any dust or paint chips have been safely removed from the property, a lead-based paint clearance examination must be conducted by a certified lead professional in each worksite or area where the work was performed. If the deteriorated area did not exceed the HUD de minimis levels, no clearance examination is required.

A certified Lead-Based Paint Inspector or Risk Assessor can also conduct a Visual Assessment. A list of state certified lead-based paint inspectors, risk assessors, and lead professionals is maintained on the NCDHHS website at: <https://schs.dph.ncdhhs.gov/lead/accredited.cfm>.

Lead-Based Paint Acknowledgement Form For Homebuyers

For Homes Constructed Before 1978

(section below to be completed by the borrower and co-borrower)

Property Address:

Borrower:

Co-Borrower:

I acknowledge that I am aware of the requirements for a Visual Assessment to be conducted on the property listed above. I also acknowledge that if deteriorating paint is found above the HUD de minimis (minimum) levels, it must be stabilized before my down payment can be approved. Furthermore, I understand that after the paint is stabilized, the property must pass a lead-based clearance inspection to be eligible. Finally, I am also aware that a Visual Assessment does not reveal the presence of lead or any lead hazards. If I want to verify the presence of lead or lead hazards, I can order a lead-based paint inspection or risk assessment, which will provide details about the presence of lead and where lead hazards exist or are likely to occur based on normal behaviors in the home.

Borrower Signature: **Date:**

Co-Borrower Signature: **Date:**

Lead-Based Paint Visual Assessment Form

(To be completed by a Certified Inspector/Assessor)

Property Address:

Business Name:

Inspector/Assessor:

Property has been tested and determined to not to contain lead-based paint (attach documentation)

Property has had lead-based paint hazards abated/remediated (attach documentation)

Property required a Visual Assessment (if not abated or tested and no lead found)

Visual Assessment Date:

I have completed a visual assessment of the above property and there is **NO** evidence of deteriorated paint.

I have completed a visual assessment of the above property and there is evidence of deteriorated paint but the area(s) of deterioration does **NOT** exceed the HUD de minimis (minimum) levels.

I have conducted a visual assessment of the above property and there is evidence of deteriorated paint and the area(s) does **EXCEED** the HUD de minimis (minimum) levels.

Interior: Is there any peeling, chipping, chalking, or cracking paint? <input type="checkbox"/> YES <input type="checkbox"/> NO	Interior: Deterioration exceeds the HUD de minimis (minimum) level? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Exterior: Is there any peeling, chipping, chalking, or cracking paint? <input type="checkbox"/> YES <input type="checkbox"/> NO	Exterior: Deterioration exceeds the HUD de minimis (minimum) level? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
Location(s) of Deteriorated Paint Exceeding the HUD de minimis (minimum) levels: 	

Signature Inspector/Assessor:

Date:

**Attach copy of Inspector/Visual Assessor credentials*

14.0 NEIGHBORLY PORTAL – PARTICIPANT PORTAL GUIDE

Participant User Guide:

Forsyth County, NC Community Portal

LAST UPDATED: MAY 24, 2023

BENEVATE, INC.
DBA NEIGHBORLY SOFTWARE



Neighborly Software

Atlanta Tech Village
3423 Piedmont Road NE
Atlanta, GA 30305
www.NeighborlySoftware.com

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Accessing the Participant Portal

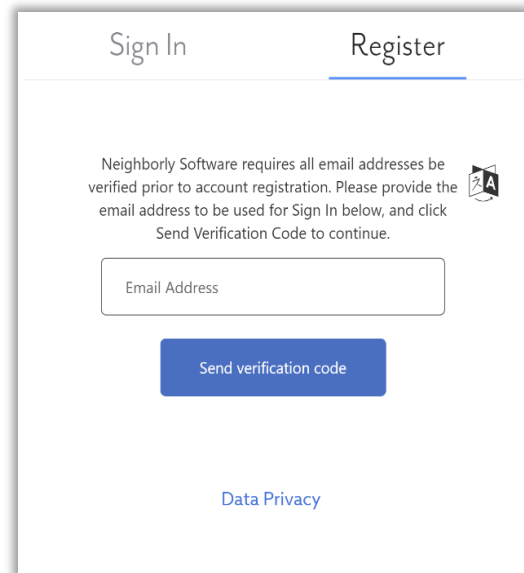
The Subrecipient Portal is hosted by Neighborly Software and is accessible available via any internet connected device. The recommended browser is Google Chrome but will work with any modern web browser.

Participant Portal Link: <https://portal.neighborlysoftware.com/forsythcountync/Participant>

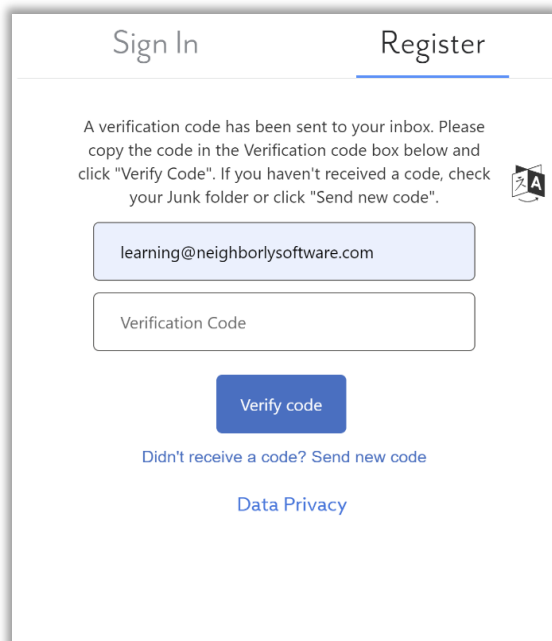
Registration

To access the system, you'll need to create an account by first registering your email address. Select the Register tab and enter your work email address. Select "Send verification code". To verify your email address, the system will send you an email with a verification code.

Note: If you do not receive the email within 2 minutes, check your spam or junk mail folders. If the email is in either folder, mark the message as "Not Junk" or "Not Spam" to ensure you receive all future system notifications.



The screenshot shows the 'Register' tab selected. The page contains a text box for 'Email Address' and a blue button labeled 'Send verification code'. Below the button is a link for 'Data Privacy'. The text above the form states: 'Neighborly Software requires all email addresses be verified prior to account registration. Please provide the email address to be used for Sign In below, and click Send Verification Code to continue.'



The screenshot shows the 'Verify Code' page. It features a text box with the email 'learning@neighborlysoftware.com' and another text box for 'Verification Code'. A blue button labeled 'Verify code' is positioned below the verification code box. Below the button is a link that says 'Didn't receive a code? Send new code'. At the bottom is a link for 'Data Privacy'. The text above the form states: 'A verification code has been sent to your inbox. Please copy the code in the Verification code box below and click "Verify Code". If you haven't received a code, check your Junk folder or click "Send new code".'

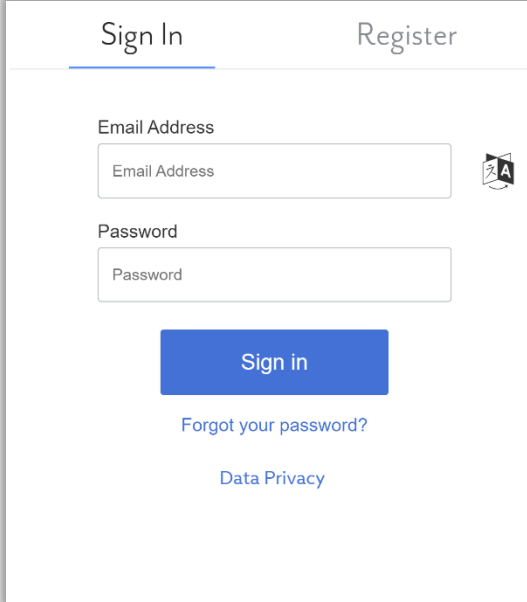
Enter the verification code into the text box and click "Verify Code."

If the code is not accepted, you may generate a new code by selecting "Send new code." Another email with a new code will be sent to your inbox.

After verifying your email address, you'll be prompted to create a password. Passwords should be at least 12 characters long and include at least one UPPERCASE letter, lowercase letter, a number, and a special character (!@#%\$%^).

Signing In

Once your account has been registered, you may login (using the same link above) by entering the email address and password used during registration.



The screenshot shows the 'Sign In' page with two tabs: 'Sign In' (active) and 'Register'. Below the tabs are two input fields: 'Email Address' and 'Password'. A blue 'Sign in' button is centered below the fields. Below the button are two links: 'Forgot your password?' and 'Data Privacy'.

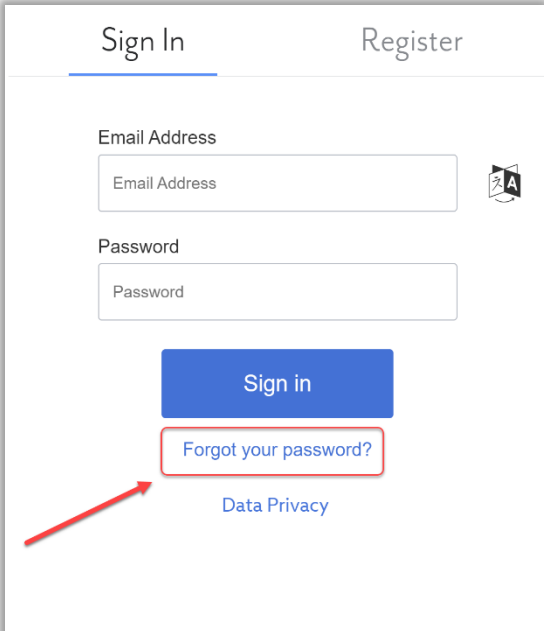
Password Reset

If you forget your password, select the link “Forgot your Password?” and follow the prompts to create a new password. Enter the email address that was used to register your account. Then select “Send Verification Code”

Within a few seconds, the system will send you an email containing a 6-digit code. Enter the code into the text field and select “Verify Code”


If after 2 minutes you have not received a code, you may repeat these steps to generate another code.

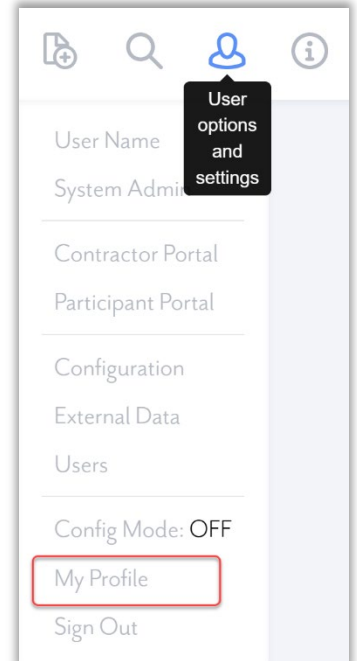
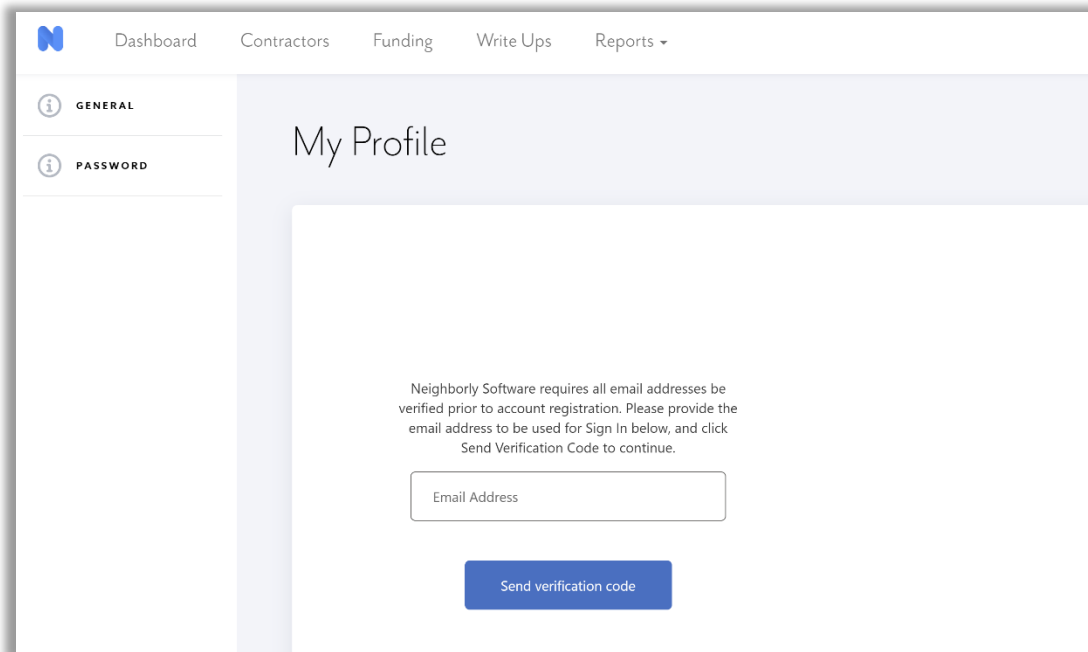
Be sure to check your spam and junk folders before requesting a new code. Sometimes users do not receive the code due to a simple typo when entering their email address. Verify that the email entered is indeed correct.



This screenshot is identical to the one above, but with a red box around the 'Forgot your password?' link and a red arrow pointing to it from the bottom left.

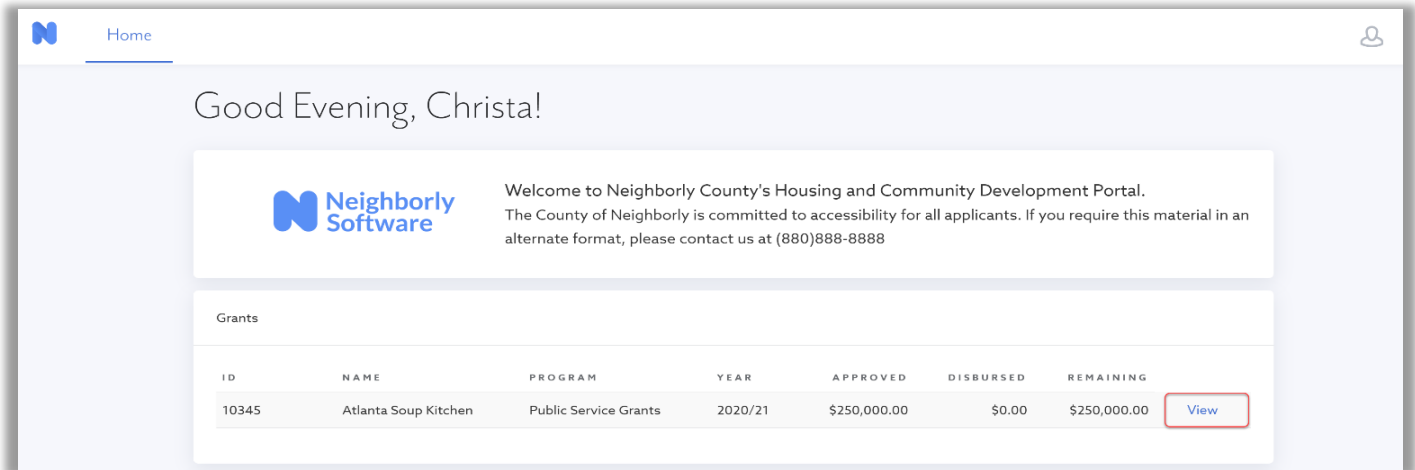
Changing your Password

To change your password, log into the Participant Portal. Select the  icon on the top right corner of the screen and select "My Profile". Next, select the "Password" option on the left side of the screen. For security purposes, you will be required to enter your email address, the system will then send you a verification code. Enter the code and follow the prompts to create a new password.



Starting a New Application


Upon logging in, the participant dashboard will become visible. Any case where funds have been awarded will be listed in the Grant card as shown below. To load the Grant Viewer, select “View” to load the grant account screen.

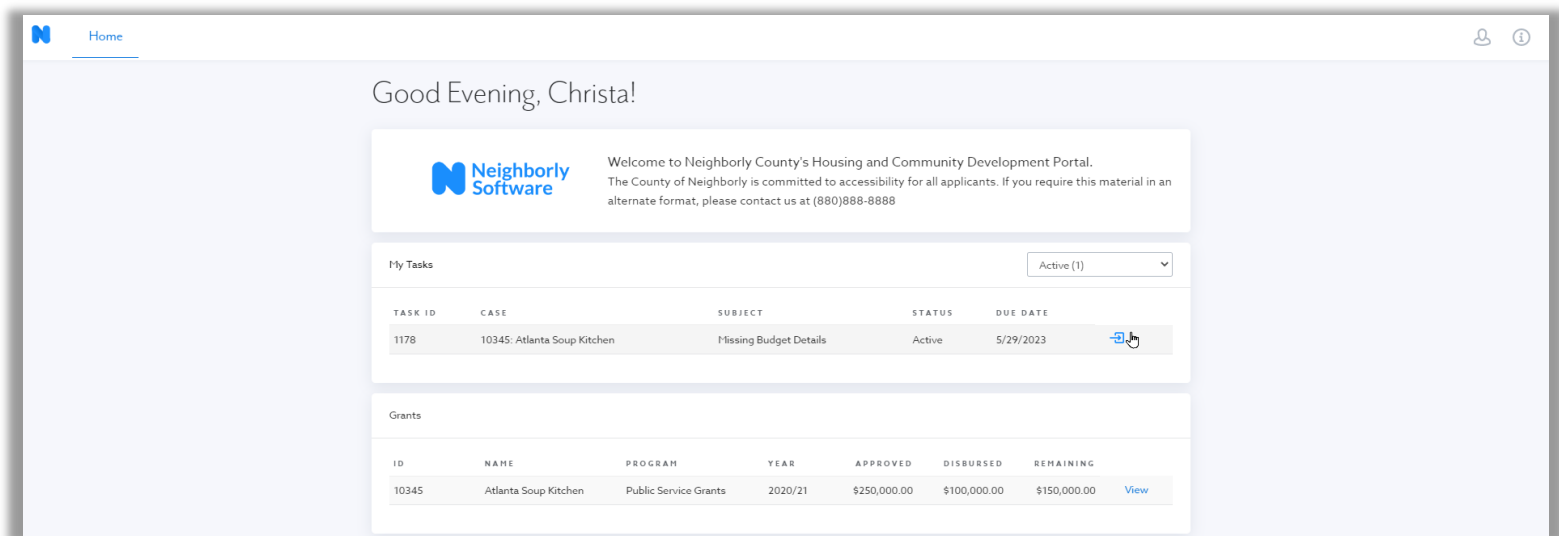


The screenshot shows the dashboard with a greeting "Good Evening, Christa!". Below the greeting is a welcome message from Neighborly Software. Underneath is a "Grants" section containing a table with the following data:


ID	NAME	PROGRAM	YEAR	APPROVED	DISBURSED	REMAINING	
10345	Atlanta Soup Kitchen	Public Service Grants	2020/21	\$250,000.00	\$0.00	\$250,000.00	View

Tasks

You may be assigned a task by a Program Administrator. Tasks will be displayed on the Portal Dashboard. To open a task, select the  to the right of the task.



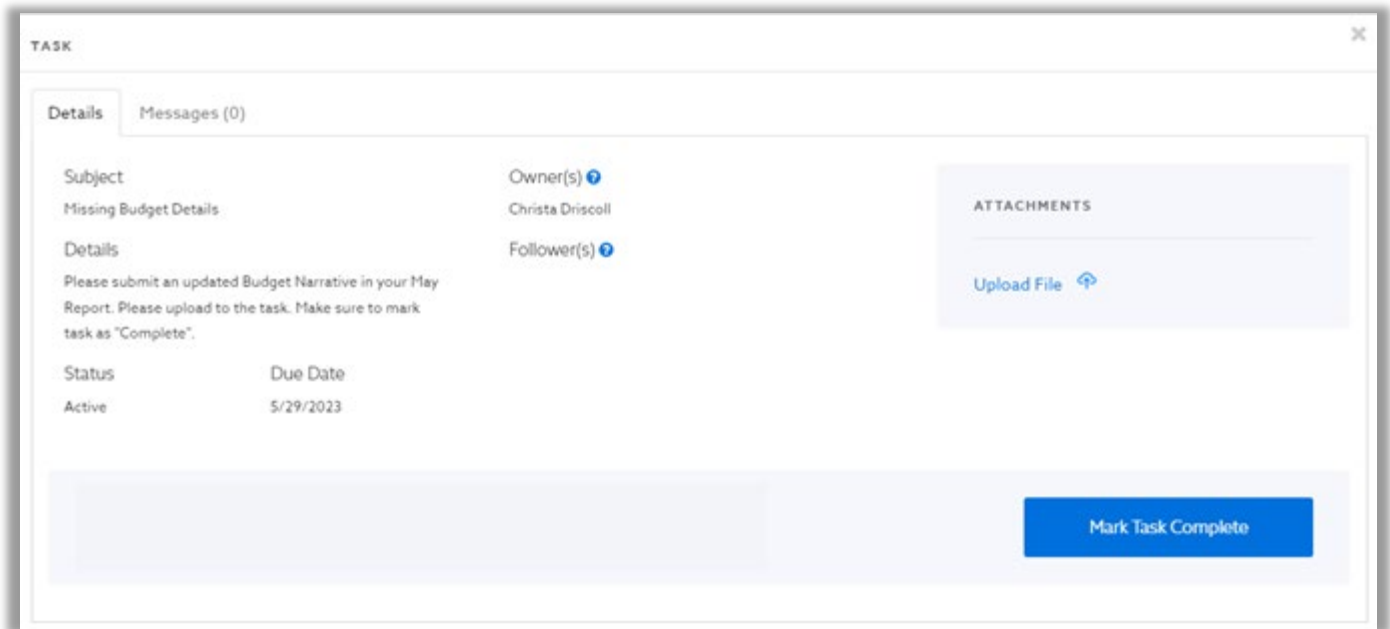
The screenshot shows the dashboard with a greeting "Good Evening, Christa!". Below the greeting is a welcome message from Neighborly Software. Underneath is a "My Tasks" section with a dropdown menu showing "Active (1)". Below this is a table with the following data:

TASK ID	CASE	SUBJECT	STATUS	DUE DATE	
1178	10345: Atlanta Soup Kitchen	Missing Budget Details	Active	5/29/2023	


Below the tasks section is a "Grants" section containing a table with the following data:

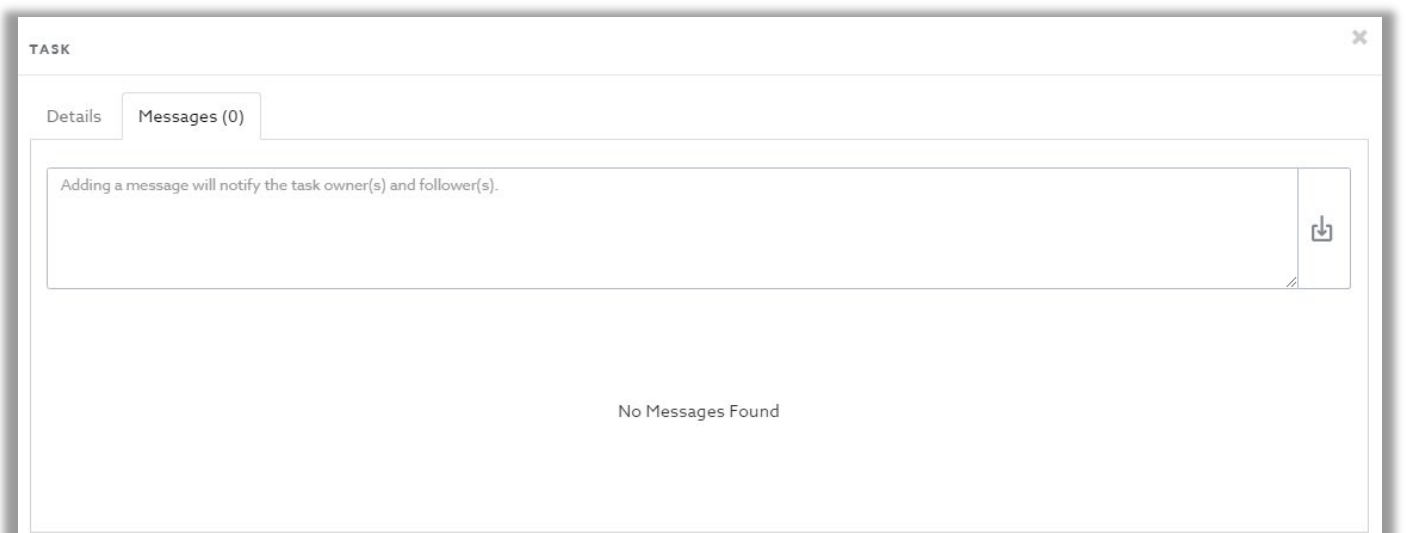
ID	NAME	PROGRAM	YEAR	APPROVED	DISBURSED	REMAINING	
10345	Atlanta Soup Kitchen	Public Service Grants	2020/21	\$250,000.00	\$100,000.00	\$150,000.00	View

Once inside the task, view the details and complete the request. You may upload any supporting files by selecting the “Upload File” hyperlink.



Additionally, if there are follow up questions regarding the task, you may send a message in the task to the Program Administrator who originally assigned the task. Select the Messages Tab, enter a detailed message in the

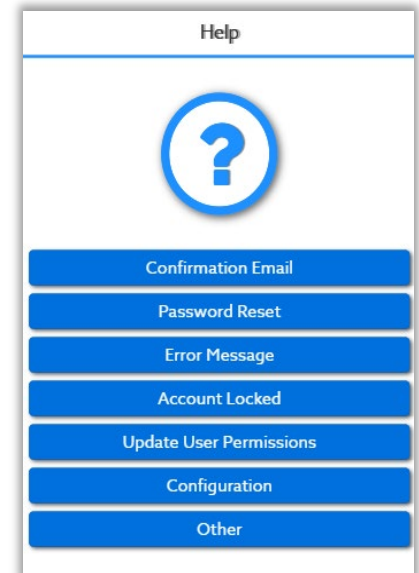
text area, then select the  icon to post the message. You will be notified via email once a response has been posted. Once the task has been completed, select the “Mark Task Complete” button.



Technical Difficulties

If at any point you run into technical difficulties with the software, use the help icon located in the bottom right corner of your screen to contact our Support Team. Support is available Monday – Friday from 8am to 7pm Eastern Time.

For all questions related to the application/program (eligibility, status updates, required documents etc.), please contact the Program Administrator directly. Contact information may be found on the portal dashboard or program overview section of the application.



15.0 DEFINITIONS

- **Affordability Period:** The time during which a property must remain affordable to eligible households.
- **Applicant:** A person or family that has applied for housing assistance.
- **Appraisal:** An estimate of a home's market value based on comparable recent sales in the home's immediate area or neighborhood conducted by a professional appraiser.
- **Appraiser:** An individual duly licensed by the state of North Carolina to complete the Appraisal.
- **Area Median Income (AMI):** Household income adjusted by family size for a given areas as calculated by the United States Department of Housing and Urban Development (HUD).
- **Award Commitment Letter:** Notification sent to an Applicant and if applicable, Co- Applicant indicating the action of reserving funds that are conditionally awarded to the Applicant as the second mortgage which can be applied for purchasing a specific dwelling unit. It is a pre- obligation. It is not legally binding and normally valid for 60 days.
- **Back-End-Ratio:** Also known as the Debt-to-Income Ratio, is the percentage that expresses the relationship between a borrower's total monthly obligations (including the total mortgage payment) and their gross income.
- **Closing Cost:** Ordinary and reasonable expenses above the sales price of the property incurred by buyers and sellers when transferring ownership of a property and acquiring financing through a mortgage loan.
- **Closing Disclosure:** A form that provides the final details required to complete the mortgage loan process by qualified Applicants under the DPA Program. It includes a breakdown of loan terms, projected monthly payment, closing cost and down payment applied.
- **Community Development Block Grant (CDBG):** An acronym used to reference a HUD grant program that supports community development activities to build stronger and more resilient communities.
- **Down Payment:** A sum of money that a buyer pays in the early stages of purchasing a home. The down payment represents a portion of the total purchase price, and the buyer will often take out a loan to finance the remainder.
- **Eligible Homebuyer:** Refers to the members of a household (an individual or a married couple), which the lenders have determined that Applicants have met all the County of Greensboro Home Assistance Program requirements.
- **Fair Housing Act:** The Fair Housing Act of 1968, 42 U.S.C §3601-3619, prohibits discrimination against protected classes of people in for-sale or rental housing.
- **First-Time Home Buyer:** An Applicant(s) which has never owned a home nor has any ownership interest in real estate at the time of application (i.e., primary, investment, timeshares, vacation homes, or vacant lots) or for those which haven't owned a home within the past three (3) years.
- **Front-End-Ration:** The relationship, expressed as a percentage, between the buyers' housing expense and their gross monthly income. That includes principal, interest, taxes hazard insurance, and mortgage insurance.
- **Hazard Insurance:** Insurance coverage that protects a property against damage caused by fires and damages from hurricanes, earthquakes, and/or other natural disasters (exclusion

of flood).

- **HOME:** Home Investment Partnerships Program (HOME) funded by HUD to create affordable housing for low- moderate-income households.
- **Household Income:** The anticipated adjusted gross amount of income from all sources of all adult family members as defined for reporting under the Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.
- **Household Member:** Any person occupying the same unit, regardless of their relationship. May include minor children, temporarily absent family members or permanently absent family members (such as those who reside in a nursing home). For the Homeownership Assistance Program household members should not own residential property.
- **Household Size:** All persons occupying the same housing unit, regardless of their familial status or relationship. The household size includes all person, including minor children and adults.
- **Housing Counseling Agency:** Either a public or private nonprofit organization (i) established as a HUD-approved provider of homebuyer education courses for at least one (1) year in the geographical area in which it provides services, (ii) is knowledgeable concerning the local housing market, and (iii) has been the regulations found at 24 CFR part 214 to obtain HUD approval.
- **HUD:** The acronym for Housing and Urban Development
- **Lending Institution(s):** Financial and mortgage institution(s) duly authorized to carry out mortgage business in North Carolina and the nation. To originate subsidized loan under the Affordable Housing Program, Lenders must comply with the requirements and enter into agreement required by Forsyth County.
- **Lien:** The security interest created by a mortgage or loan on a property.
- **Long-Term or 30-Year Fixed Mortgage:** A fixed rate and fully amortized mortgage loan with a term of 30 years of payment.
- **Low and Moderate Income (LMI):** Low-to-moderate income populations have incomes not more than 80% of the Area Median Family Income established by HUD. This income standard changes yearly and varies based on household size and geography. HUD has calculated adjusted income for the Winston-Salem Metro Area.
- **Mortgage:** A loan in which property or real estate is used as collateral. The Borrower agrees with a mortgage lender and the County wherein the borrower receives cash up front and then makes payments over a set time until the entire lien is repaid to the mortgage lender and the County.
- **PITI:** The acronym for principal, interest, taxes, and insurance (homeowner's, flood, and mortgage insurance).
- **Primary Residence:** Refers to the dwelling where a person maintains or will maintain a primary residence, and which will be occupied for the majority of the calendar year. A Person may only have one (1) primary residence at a time.
- **Property Value:** The assessed value of a property under normal competitive and the open market. The property market value must be established through an appraisal.
- **Purchase Price:** The cost of acquiring a residence. To qualify for the Homeownership Assistance Program, the purchase price cannot be higher than the appraised value.
- **Recapture:** The County will recoup all the Homeownership Assistance funds provided to the Borrower(s) so long as FCCED has a legal interest
- **Restrictive Condition or Deed Restriction:** Any restriction or obligation registered against the property's title deed, which binds the owner and restricts the use of the property.
- **Second Mortgage:** A deed next in rank after the first deed on the same property.
- **Subsidy:** Direct financial assistance provided to the buyer to reduce their interest rate and

mortgage principal.