



Homebuyer Readiness Program Process for River Meadows Project Home Constructed Prospective Buyer Pre-Approved

Initial Contact/Inquiry

Phone or email conversation to determine eligibility and give info about the program. If Prospective Buyer is eligible, an Interest Meeting will be scheduled. The key talking points are:

Are they under the income limit for their household size?
Do they have enough income to purchase?
What debts do they have that show up on credit?
What is their credit like?

Schedule Interest Meeting.

Interest Meeting Preparation:

Prospective Buyer will gather all documents needed for Interest Meeting. Documents needed are basically the same as what a lending institution would require. Pre-approval letter from lending institution, paystubs covering at least 30 days, two months of bank statements or 60 day printout with bank and account info for all accounts, most recent statement for all retirement accounts, most recent two years tax returns with W-2s. If self-employed, 1099s will be required as well as a current Profit and Losses Statement. Most recent SSI Award letter if applicable. A working budget would also be helpful.

Interest Meeting (Typically at NHI but could be at selling broker's office. 1-1.5 hours)

More info about the River Meadows Project and program will be given including flyers, brochures and the Homebuyer Readiness Program (HRP) manual will be discussed. The HRP manual was created by Neighborhood Housing (NHI) and it covers budgeting, credit, home loan, closing and post-purchase. The Homeownership Coordinator will review the documents provided by the Prospective Buyer to verify that the Prospective Buyer meets all qualifications for the River Meadows Project. If the Prospective Buyer is pre-approved through a lender, the details of that pre-approval will be discussed. NHI typically pulls credit but if the Prospective Buyer already has a pre-approval, this step will be skipped or completed later if necessary. The Homeownership Coordinator will ask if the Prospective Buyer has a budget and this will be discussed to make sure the Prospective Buyer is living within their means. The house(s) in River Meadow will be discussed as well as the lending programs that are available. The Down Payment Assistance (DPA) will be explained. Potential house payments could be discussed at this meeting.

Joining the HRP is the next step if the Prospective Buyer wants to move forward. An application will be provided to the Prospective Buyer. The Prospective Buyer will need to complete the application and return it at the next meeting.

NHI Action Items: File creation, update HRP Metrics, start the DPA approval process, update realtor(s)

Lender Meeting (Typically at lenders' offices. 1-3 hours)

If the Prospective Buyer is interested in pursuing a home, the next step would be to schedule a meeting with one or two of the lending partners. The different loan programs would have been discussed in the Interest Meeting. The Prospective Buyer ultimately chooses which lender/lending program to pursue. The Homeownership Coordinator will go to the lending appointment(s) if the Prospective Buyer would prefer. The Homeownership Coordinator or the Prospective Buyer will schedule the meetings with the lender(s).

NHI Action Items: Follow up with lender to get pre-approval in hand. Notify all parties when pre-approval is received. Notify realtor that contract can be submitted. If loan is denied, notify all parties and offer to work on credit with Prospective Buyer.

NOTE: A purchase contract can be executed any time in the process once the Buyer has a loan pre-approved for a sufficient amount for the purchase. NHI's Addendum must be filled out, signed and provided with the TAR contract.

Follow Up Meeting (Typically at NHI. 1-1.5 hours)

A follow up meeting can be scheduled with the Prospective Buyer to further discuss budget, credit or the home loan process if needed.

Pre-Closing Meeting (Typically at the house being purchased. 1-1.5 hours)

A Pre-Closing Meeting will be scheduled to discuss the closing process, home maintenance and planning for the future. Sample closing documents are reviewed. Home maintenance items will be discussed and a list of maintenance items will be provided. Paying off debt and other helpful planning ideas are covered.

Closing

Due to the unique nature of the NHI program, extra documents need to be signed at closing that pertain to the DPA or other program requirements. NHI will attend closing and will explain the documents to the Prospective Buyer.

NHI Action Items: Provide documents to title company that are applicable including warranty, DPA, etc. Make sure all DPA approvals are met prior to closing. Attend closing and explain documents as necessary.

Post-Purchase

NHI stays connected to its Homebuyers during the first year of ownership. The transition of renting to homeownership can be difficult. Emails or phone calls take place every couple of months to make sure the Homebuyer is still budgeting, maintaining the home and is preparing for future repairs. Paying off a debt or other credit questions may be discussed.