



Community Development Corporation

## OUTLINE PROCESS FOR BUYING A NEW HOME

<b>Step 1</b>	Client Contact	The client may contact CFCDC by telephone or in person to participate in the Homeownership process.
<b>Step 2</b>	Client Intake	CFCDC pre-qualifies the applicant to determine income eligibility for assistance. Eligibility is based on the HUD income guidelines which may change periodically. Once pre-qualified CFCDC provides the applicant with an application packet for completion. An appointment is then made for the client to enroll in the First Time Homebuyers workshop. The client must provide CFCDC with a copy of their most recent credit report or pay the cost of having one generated.
<b>Step 3</b>	Credit Counseling	CFCDC schedules an appointment with the client to discuss the credit report. One-on-one counseling is provided and all derogatory credit items are discussed for the purpose of setting strategies to prepare the client for loan approval. An action plan is created and must be completed before a loan application is submitted.
<b>Step 4</b>	Loan Packaging	The client is advised to return any outstanding credit items needed to submit with the loan application packet. Once all items are received, the loan packet is submitted to the lender for loan approval. The maximum loan amount is requested from the lender. The lender may require additional information before an approval can be made.
<b>Step 5</b>	Loan Approval	The Loan Officer makes an appointment with the client to sign several items to complete the lending process. Most loan approvals are based on several contingencies. Once all contingencies have been met, a final approval is awarded.
<b>Step 6</b>	Contract Negotiation	In the new home market, CFCDC assist the client with a buildable lot, plans and specifications to construct the new unit. CFCDC will assist the client with the contract and cost to build.

A signed contract and/or plans and specifications are submitted to a mortgage lender and closing agent.

The buyer will be required to purchase Homeowners Insurance which must be acquired before closing. If the lot is located in a flood zone, a separate policy is required. This cost **will not** be included in the mortgage payment.

<b>Step 7</b>	County/City/SHIP Submission	A complete file is submitted to the County or City for Down Payment Assistance and Closing costs. Such funds are added to the maximum loan as a part of the gap financing.
<b>Step 8</b>	County/City Approval	<p>Upon review of the completed file, the County or City will make a determination regarding the amount of assistance to be granted to the client/buyer or will make a request for additional information to complete the approval process.</p> <p>Once an approval has been granted, a closing date will be scheduled by the City or County.</p>
<b>Step 9</b>	Closing	The client/buyer, seller and CFCDC will meet and finalize the contract terms and obligations.
<b>Step 10</b>	Construction	<p>CFCDC will issue a Notice of Commencement to the contractor. The contractor applies for all permits to begin construction. The contractor will meet with the buyer to discuss the materials for the home.</p> <p>The lender will set a five draw schedule for the contractor. CFCDC will manage the construction process throughout the project.</p> <p>The Contractor clears the property and begins construction.</p>
<b>Step 11</b>	Certificates	Upon completion of the project, the contractor issues a Certification of Occupancy (COA) and a Release of Lien to CFCDC.
<b>Step 12</b>	Walk Through	CFCDC and the client/buyer participate in a Walk-through of the property to create a PUNCH list to identify and correct any deficiencies.

**Step 13**

Move-In

Client/ buyer moves in.