

BCPS Housing Incentive Program Policy and Procedures Manual

I.	PURPOSE	2
II.	PROGRAM DESCRIPTION.....	2
	A. Overview	2
	B. Benefits	2
	C. Unit Production	3
III.	PROGRAM REQUIREMENTS	3
	A. Eligibility	3
	B. Target Area	4
	C. Retention Period	4
	D. Recapture	5
IV.	PROGRAM ADMINISTRATION	6
	A. Collaboration with WKKF Initiatives and BCPS	6
	B. Roles and Responsibilities	6
	C. Procurement	8
	D. Contractor Pool Management	8
	E. Program Outreach	8
	F. Data Collection and Reporting Responsibilities	8
V.	HOME PURCHASE AND REHAB ACTIVITIES.....	9
	A. Enrollment	9
	B. Realtors and Lender Requirements	11
	C. Unit Selection and Initial Field Inspection	11
	D. Development of Renovation Specifications	12
	E. Bid Process	12
	F. Occupant Protection and Relocation	13
	G. Renovation	13
	H. Project Close Out	14
VI.	LIST OF APPENDICES	15

I. PURPOSE

This document is the policy and procedures for the administration and implementation of the BCPS Housing Incentive Program (HIP), which creates incentives for Battle Creek Public School (BCPS) teachers to purchase homes in targeted neighborhoods within the district. HIP is a program of the City of Battle Creek Community Development Division, funded by a W.K Kellogg Foundation (WKKF) Grant. Program staff of the City, its subcontractors, and participating teachers must adhere to these policies and procedures.

Updates to the policy and procedures are discussed periodically during team meetings and meetings with external partners such as the BCPS Administration. In addition, program staff participate in meetings with WKKF program staff to discuss progress, deliverables and obstacles. As procedures are updated and additional policies are executed by City staff with input from partners, updated versions of this document will be issued to all interested parties via electronic mail.

II. PROGRAM DESCRIPTION

A. Overview

The BCPS Housing Incentive Program is designed to attract teachers and administrators to live in targeted neighborhoods (see III.B “Target Area”) within the district by providing down payment assistance and matching funds for needed improvements. The program also provides an incentive to teachers and administrators already living in the target area that want to make improvements to their existing home.

B. Benefits

1. Home Purchase Assistance
 - a. Available to home purchasers for properties located within the program target area.
 - b. Provides down payment and closing cost assistance up to \$10,000—not to exceed 20% of the appraised home value.
 - c. If the full amount of down payment assistance is not needed, remaining funds can be used to do a mortgage buy down to reduce monthly mortgage costs.
 - d. Assistance is secured by a no payment, no interest loan forgivable after three years, contingent on continued employment with BCPS and use of property as primary residence by the applicant.
 - (i) If one or more of the above conditions are not met, the homeowner is responsible for 100% repayment (see III.C “Retention Period”).
 2. Homeowner Rehab Assistance
 - a. Available to home purchasers and existing homeowners for properties located within the program target area.
 - b. Provides 50% match funds of up to \$10,000 for rehabilitation.
 - c. Eligible expenses include addressing health and safety issues, repair or replacement of existing housing elements not expected to last more than five years, and updating or
-

addressing the lack of an amenity common to the local housing market.

- d. Assistance is secured by a no payment, no interest loan forgivable after three years, contingent on continued employment with BCPS and use of property as primary residence by the applicant.
 - (i) If one or more of the above conditions are not met, the homeowner is responsible for 100% repayment (see III.C "Retention Period").

C. Unit Production

1. Teachers and administrators will be assisted by the program over two years based on the availability of funds.
2. A minimum of two-thirds of program funds shall benefit home purchasers.

III. PROGRAM REQUIREMENTS

A. Eligibility

1. Household eligibility criteria include:
 - a. Applicant is a full-time teacher or administrator of the BCPS as determined by BCPS Administration.
 - b. Applicants for the down payment assistance benefit must be able to secure a mortgage with a lender for home purchase.
 - c. Applicants for the matching rehab benefit must pre-qualify for a rehab loan with a program qualified lender.
 - (i) Applicants may use a lender of their choice, including a lender without a program-qualified loan product, but in order to be enrolled in the program the applicant must demonstrate that they are able to secure a program-qualified loan product;
 - (ii) Lenders without a program-qualified loan product may submit a spec sheet to City staff for review and approval.
 - d. Applicants of the home purchase assistance benefit are required to complete an 8 hour accredited homebuyer education class before closing.
 - (i) City shall ensure that an accredited homebuyer education classes are available in the Battle Creek area at no cost to the buyer. If these services are not available free of cost then the City will pay for such services using program funds.
 - e. No part of the grant can inure to the benefit of any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including, but not limited to, any W.K. Kellogg Foundation trustee, officer, employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.
 - f. The City of Battle Creek and its contractors will not discriminate against any individual or group because of his or her actual or perceived race, sex, gender, sexual orientation, religion, age, national origin, color, marital status, height, weight, physical or mental

disability, family status, sexual orientation, gender identity, or political belief.

2. Unit eligibility criteria include:

- a. Unit must be located within the designated target area within the City of Battle Creek and BCPS district boundaries (as described in section III.B of this document).
- b. Unit must be either owner occupied or eligible under local codes and zoning to be occupied as a single-family owner-occupied dwelling. Other eligible unit types include:
 - (i) Duplexes and other multi-unit properties up to four units rental units are registered with the City of Battle Creek. Renovation funds are only eligible to be used on the owner-occupied unit and a prorated portion of common areas.
 - (ii) Condominium units
 - (iii) Manufactured homes provided that at the time of completion the manufactured housing is connected to permanent utility hook-ups and the housing is located on land that is owned by the unit owner.
 - (iv) Unit type may be further limited by lender requirements.
 - (v) Land contracts and leases are not an eligible form of ownership. The participant must be the deed holder to the property.
- c. Property sale must include title insurance.

B. Target Area

1. The HIP target area, located within both the Battle Creek city limits and the BCPS catchment area, is comprised of Neighborhood Planning Councils (NPC) 1, 2, 4, 5, and the portion of NPC 3 north of Territorial Rd. and east of La Vista Blvd. The area is generally bounded on the north, east, and west by the Battle Creek city limits and to the south by Territorial Road and Kingman Avenue.
2. Reference Appendix A: Map of BCPS HIP Target Area

C. Retention Period

1. Assistance is provided in the form of a loan, secured by a no interest/no payment mortgage, which shall be forgiven upon completion of a three (3) year retention period.
2. In addition to the mortgage and note, home purchasers and homeowners must sign a Retention Agreement to certify their understanding and acceptance of the following conditions until the end of the retention period:
 - a. The Loan (mortgage and note) is a lien against the property.
 - b. The Loan bears no interest.
 - c. The Loan is not a grant or a gift.
 - d. All of the Loan will be due and payable at any time during the retention period if the property is no longer the Eligible Owner's principal place of residence or if the Eligible Owner ceases to be employed by BCPS.
 - e. No portion of the property may be rented unless registered with the City of Battle Creek as a 2-4 unit rental at the time assistance is provided. The Eligible Owner must occupy

-
- one of the units.
 - f. The property may not be used for any illegal activity.
 - g. The property must be insured at all times.
 - h. The owner must keep real estate taxes paid at all times by the due date.
 - i. The owner must keep all mortgage payments (if any) up to date and paid on time.
 - j. The owner must keep the home in reasonably good repair.
 - k. The owner must keep all debris to a minimum to reduce fire, health and safety hazards.
 - l. The owner must keep the City of Battle Creek Community Development Division (10 N. Division St., Battle Creek, MI 49014, 269-966-3267) informed as to any changes in the above.
3. If a homeowner defaults on a mortgage condition before the retention period ends, the following procedures and responsibilities will apply:
- a. When the City becomes aware that an assisted project may fall out of compliance with the requirements of the retention agreement, they will contact the homeowner to assess the situation and attempt to work out a repayment of the program funds or resolve the issue causing non-compliance.
 - b. The City may confer with the BCPS District Administration to confirm continued employment.
4. The City will monitor projects annually to verify compliance with the retention agreement by doing the following:
- a. A City staff person will check City Assessor and Water Utility Department records to confirm that the property and the water bill are still listed in homeowner's name and that the property is appropriately claiming its Principle Residence Exemption.
 - b. The City will provide the BCPS district administration with a list of program participants and request confirmation of continued employment.
 - c. City will maintain a list of projects with project completion dates, retention period, and compliance checks.
5. In the event that arrangements for repayment cannot be agreed upon and issues causing non-compliance cannot be resolved, the City may make a determination of default and initiate recapture of the funds.
- a. The City will notify WKKF in the event a determination of default has been made and recapture is initiated.
 - b. The City may take all steps permitted under the loan terms for default.

D. Recapture

1. If a determination of non-compliance is made the City will endeavor to recapture the full amount of the assistance.
 - a. The City will allow a defaulting homeowner to make payments on amount subject to recapture.
 - b. Payments shall be amortized over a period of up to five years.
 - c. There will be no interest added to the repayment.
 - d. Failure to make payments may result in foreclosure and/or garnishing of the homeowner's wages.
2. The City will document all good faith efforts to recapture funds.
3. The City will be compensated for any expenses associated with recapturing funds from any unspent or successfully recaptured program funds.
4. The City reserves the right to decline to pursue recapture in the event that it determines recapture activities are unlikely to result in enough funds to cover its expenses. If such determination is made, a written justification will be included in the project file.
5. Remaining recaptured funds are treated as program income. If remaining funds are recaptured during the WKKF grant making cycle, said funds will be placed back into the program. If remaining funds are recaptured after the close of the WKKF grant making cycle, said funds and will be used for community development actives i.e. housing, placemaking, redevelopment, or the like.

IV. PROGRAM ADMINISTRATION

A. Collaboration with WKKF Initiatives and BCPS

1. The BCPS Housing Incentive Program is being implemented within the context of strengthening core neighborhoods that house the community's most vulnerable children and families. The goal is to restore economic vitality to targeted neighborhoods by increasing investment in housing and providing wrap-around community development services that support neighborhood revitalization. Providing down payment assistance and rehabilitation loans to BCPS teachers and administrators to encourage residency in the district is key to improving existing housing stock and reinvigorating district neighborhoods as destinations of choice.
2. City shall confer quarterly with BCPS to ensure coordination of the program with the recruitment and retention needs of the District.
 - a. City shall provide a benchmark report and a program update to BCPS.
 - b. BCPS shall provide information to the City regarding the status of the district's recruitment and retention efforts that might affect the demand for program services.

B. Roles and Responsibilities

1. City staff will administer the program, including:
 - a. Distribute benefits;
 - b. Cultivate program partners and sub-contractors to provide support to program
-

participants during the home purchase process;

- c. Coordinate interactions with participants, lenders, realtors, and contractors through the sale and rehabilitation of the property;
 - d. Develop pools of qualified contractors and lenders with qualified match loan products; and
 - e. Provide oversight and management of the rehabilitation through the completion of construction and re-occupancy.
2. Key City staff include:
- a. Program Manager—provides program administration, procures services, prepares draws, manages internal and contracted staff, creates and maintains written policies and procedures, compiles reports, convenes team meetings, and reviews and approves applications.
 - b. Housing Rehab Coordinator—does initial site inspections, prepares specifications, estimates and bid packages, manages construction, approves construction invoices, does final inspections and project closeout.
 - c. Grant Specialist—assists with program monitoring and project close out.
3. Contracted services include:
- a. General Contractors—provides rehab services.
 - b. Enrollment Coordinator—serves as point of contact for applicants, conducts initial review of applications for completeness, answers questions about the home buying process, fields questions from applicant's realtor and/or lender, makes referrals to program qualified lenders, credit repair service agency, and home buyer education agency as needed.

NOTE: If a realtor, Enrollment Coordinator may not act as the buyer's agent.
 - c. Rehab Consultant—provides specialized construction management services and added capacity.
 - d. Evaluator—measures program impacts and progress towards program goals.
4. Program Partners include:
- a. BCPS—promote the program to new recruits and current educators and administrators; provide data to the city for compliance checks; provide collaborative oversight; provide information about recruitment and retention efforts including demographic shifts over time.
 - b. Homebuyer Education—a contractor agency with an accredited homebuyer education program, provides an eight (8) hour course to program participants before purchase.
 - c. Credit Repair—a third party agency that does credit repair & accepts applicants that
-

have credit issues as referrals.

C. Procurement

Staff will follow City of Battle Creek procurement policies when making a purchase of goods or services using program funds.

D. Contractor Pool Management

The City shall establish a bid pool of contractors to implement the program.

1. The City shall publish an advertisement for entry into the bid pool twice in a newspaper of general local circulation. Advertisements shall be at least seven (7) days apart, with the second publication made at least seven (7) days before the deadline for submitting a request to be placed on the bidder's list. The advertisement shall specify any requirements contractors must satisfy in order to be placed on the bidders list.
2. Each time an HIP project goes out for bid, all contractors on the bidders list shall be notified by the City or its external partner by email. The notification shall inform contractors where bid documents are available for review.
3. The City shall be responsible for adding and removing contractors from the bidders list.
4. In the event that a contractor is in breach of contract, the City will determine the appropriate course of action, including removal of the contractor from the bidders list. Removal will be done in writing and will list the reasons.
5. The City and external partners will document all efforts to attract contractors from minority- and women-owned business enterprises on a continuous basis.

E. Program Outreach

1. Creation of promotion materials.
2. Direct marketing activities to teachers.
3. Informational meeting(s) for teachers.
4. BCPS recruiting efforts.

F. Data Collection and Reporting Responsibilities

1. Within 45 days following the end of the program year, which runs from June 1 through May 31, the City shall furnish to the WKKF program officer a report as detailed in the grant agreement. The report will contain the following:
 - a. A narrative report of what was accomplished by expenditure of the grant funds;
 - b. An evaluation report;
 - c. A financial statement reporting expenditures according to the approved budget.
 2. Community Development staff will maintain a monthly benchmark report of grant activities that includes applications received, applicants referred for credit repair, applicants enrolled, applicants completing home buyer education, closings, construction projects initiated and completed, and total loans made.
 3. The City and its contracted service providers will confer monthly to exchange information and review monthly progress towards goals.
-

4. The City will confer with BCPS quarterly.
5. Reference Appendix B: Benchmark Progress Report

V. HOME PURCHASE AND REHAB ACTIVITIES

A. Enrollment

1. Application Distribution
 - a. The primary method of application distribution will be through BCPS. Promotional materials and applications will be made available for dissemination to teachers and administrators. Dissemination methods may include posting at work sites, email, and other electronic forms of communication, and/or hosting an information session at one or more of the schools.
 - b. The Enrollment Coordinator will be listed on all promotional materials as the point of contact for questions, connecting with resources, and submitting applications.
 2. Application Received
 - a. All applications shall be submitted to the Enrollment Coordinator.
 - b. Applications received are reviewed by the Enrollment Coordinator within two (2) business days.
 - c. The Enrollment Coordinator confirms that the application is complete. If any part of the application is incomplete or if additional information is needed, the Enrollment Coordinator will attempt to contact the applicant no fewer than two times to request the information. If the applicant does not respond, the application is closed out two weeks after the last attempt at contact.
 3. Application Approved
 - a. The Enrollment Coordinator shall confirm that the applicant meets the program eligibility criteria.
 - (i) Eligible employment status shall be confirmed with BCPS.
 - b. When the applicants have been determined to be eligible for HIP, the Enrollment Coordinator will enter applicant information into Applicant Tracking Sheet.
 - (i) Applicant tracking sheets shall be forwarded to Program Manager monthly.
 - c. The Enrollment Coordinator then contacts the applicant to schedule an intake.
 4. Application Denied
 - a. Applications may be denied for the following reasons:
 - An applicant refuses to provide additional documentation requested by Enrollment Coordinator.
 - An applicant does not reside, nor intend to reside, within the program target area.
 - An applicant is not a current teacher or administrator of BCPS as defined by BCPS Administration.
 - An applicant is unable to meet any other eligibility criteria.
-

- An applicant has sent an incomplete application and has failed to respond to at least two contacts by intake staff.

5. Intake

- a. The purpose of an intake is to provide an orientation, collect any required additional documentation (i.e. loan pre-approval), develop a plan to address any barriers to enrollment and if the applicant is ready, enroll them in the program so they can move forward to either purchasing a home and/or planning their renovations.
 - b. Intakes shall be scheduled around the needs of the applicant and may occur over the phone at their request.
 - (i) The Enrollment Coordinator shall arrange for an intake meeting location that is within one mile of the program target area.
 - c. The Enrollment Coordinator shall provide an overview of how the process will work that includes all the applicable phases of the program including unit selection, coordination between realtors and lenders, initial inspection by program staff, development of specifications, hiring a contractor, closing, occupant protection and relocation, renovation, and occupancy.
 - d. If the applicant is already pre-qualified for a loan(s), they shall provide copies of required loan pre-qualification(s).
 - e. The Enrollment Coordinator shall provide assistance to applicants including but not limited to:
 - (i) Making referrals to program qualified lenders, a credit repair institution, a buyer's agent or other resources as needed; and
 - (ii) Providing program information to applicant representatives in the home buying process such as a realtor, lender, or home inspector.
 - f. Applicants shall be given as much time as they need to address challenges and barriers that arise during the enrollment process and the application shall remain open as long as an applicant demonstrates they are making progress towards completion.
 - (i) Program funds will not be reserved or committed for applicants that have not completed enrollment.
 - g. Once loan pre-approval documentation has been collected, it shall be attached to the application and forwarded to the Program Manager for enrollment into the program.
 - h. Enrollment will be determined on a first come, first serve basis and will be contingent on the availability of program funds as allocated for each benefit.
 - i. The Program Manager will send an enrollment letter to the applicant that includes a description of the benefit, next steps in the process, any applicable conditions, and contact information for City staff.
 - j. For homebuyers, once an applicant is enrolled they shall have 60 days from the date of approval to locate a property for purchase. The applicant will further have 60 days from
-

property pre-approval in order to complete their purchase and close on their home. In the event of a delayed closing, a one-time 30-day extension can be considered and authorized. Applicants whose closing date is delayed beyond the 30-day extension must reapply and will be subject to funding availability.

6. Prioritization

- a. In the event of high demand for HIP, the City will use the following prioritization hierarchy to determine which applicants will be given the highest priority for service:
 - (i) Home buyer that currently lives outside the district
 - (ii) Home buyer that currently rents within the district
 - (iii) Home owner that currently owns a home within the district and wants to renovate
 - (iv) Home buyer that currently owns a home within the district and wants to purchase

7. Reference Appendix C: Application & Enrollment Process

B. Realtors and Lender Requirements

1. Participants may use a realtor of their choice.
 - a. Participants will be provided a list of realtors/brokers that have attended a program orientation or have a loan product that has been qualified by the City.
2. Participants may use a lender of their choice provided the loan meets program requirements.
 - a. The City will only provide subsidy second mortgage financing in conjunction with first mortgage loans that meet the following criteria:
 - (i) The interest rate must be within 100 basis points of the current national average 30-year fixed rate as published weekly by Freddie Mac.
 - (ii) Closing costs must be competitive and reasonable as described in Appendix C: Eligible Borrower Costs and Fees.
 - b. For projects involving a rehab loan, an applicant must demonstrate that they are eligible for a loan product that is compatible with matching program funds before enrollment can be completed.
 - (i) The City will provide a list of lenders with loan products that have been qualified as compatible with matching program funds.
 - (ii) For applicants that are working with a lender without a qualified loan product, the lender may submit their product to the City for approval; or the applicant may submit an approval for a qualified loan product. Once either step is complete, the applicant can be enrolled.
3. Reference Appendix D: Eligible Borrower Costs and Fees

C. Unit Selection and Initial Field Inspection

1. For projects involving the purchase of a property, the homebuyer will work with their realtor to identify a property they are ready to submit an offer on.
-

2. Once a unit is identified, a preliminary field investigation shall be scheduled by the Housing Coordinator and conducted using the Preliminary Field Investigation Form. The purpose of the investigation is to ensure that the unit is suitable for project assistance and discuss the potential scope of work for the renovation.
 - a. Inspection shall consider property condition, historic preservation requirements, and flood plain location.
 - b. Inspection shall confirm that the renovation will result in a unit that meets minimum codes for health and safety as well as any requirements required by the lender.
 - c. The Housing Coordinator will discuss with the participant any health and safety issues identified that are required to be addressed in the scope of work as well as any desired additional renovations and the renovation budget.
 - d. The Housing Coordinator and the participant shall come to an agreement on one or two renovation options for the project that are within the renovation budget.
3. The Housing Coordinator will prepare estimates for the agreed upon renovation options and shall follow up with the participant to finalize a scope of work.
 - a. Participant shall sign off on finalized scope of work.

D. Development of Renovation Specifications

1. The Housing Coordinator shall prepare a bid package and contract.
2. For projects involving a property purchase, the preparation of construction documents and the bid process will be coordinated around the closing.
 - a. To the extent feasible, the Housing Coordinator will endeavor to complete the bid package and contract before the closing so that construction can occur as soon after closing as possible.
 - b. In some instances, it may be possible to bid the renovation contract out prior to sale contingent on a successful sale.
 - c. The Housing Coordinator will outline a timeframe for construction in the bid package.

E. Bid Process

1. All renovation projects shall be bid in a competitive manner to ensure cost effectiveness. The City shall administer the bid process.
 2. Once project specifications have been created, all contractors in the contractor bid pool will be solicited for bids. As part of the solicitation, a bid packet shall be made available that includes project specifications, program guidelines, notification of a project walk-through and the due date for completed bids.
 3. A project walk-through shall be scheduled within seven days of the bid notification. Unless otherwise directed by the City, all contractors wishing to submit bids must be present at the walk-through.
-

4. On or before the due date and time in the bid packet, contractors wishing to submit a bid for the projects shall do so by mail delivery or in person to the City. At that time the bid is opened and reviewed, a summary sheet is composed that tallies all bids.
5. Projects are awarded based on the lowest responsive, responsible bid. If the lowest bidder is not awarded a project, the reasons shall be documented in the summary sheet.
 - a. The City determines when a bid is responsive and responsible.
 - b. A participant may choose to select a contractor other than the lowest responsive, responsive bid but will be required to pay the difference from non-program funds. For example, if the lowest bid was \$10,000 and the participant elected to go with a bid of \$12,000, the program would provide \$5,000 in subsidy and the participant would be responsible for \$7,000.
6. In order to be eligible to be awarded a project, a contractor must be able to meet all program guidelines. The contractor must provide the City copies of required insurance policies, licenses, and certifications. All required insurance policies must list the City as additionally insured, as applicable.
7. If the scope of work changes during the bid process, the City shall send an addendum to the bid packet to all contractors in the bid pool.

F. Occupant Protection and Relocation

1. The Housing Coordinator will ensure that occupants have safe access or require temporary relocation during construction.
 - a. Temporary relocation shall be required if residents cannot have safe access to at least one bathroom, sleeping areas, and kitchen facilities (or alternative eating arrangements) during non-work hours.
 - b. Safe access includes the absence of other significant safety, health, or environmental hazards such as lead hazards, toxic fumes, on-site disposal of hazardous waste, or exposed electrical wiring.
2. The City does not provide funds for relocation. Any costs associated with relocation or delayed occupancy are the responsibility of the participant.

G. Renovation

1. No work shall commence until a Proceed to Work order is issued.
 2. All contractors shall meet federal (EPA, OSHA) and Michigan regulations, as well as carry Renovation Repair Paint (RRP) certification. Periodically, the City shall conduct unannounced, on-site inspections of projects to determine compliance with Michigan's laws.
 3. All construction work shall be performed in accordance with state and local building, plumbing, electrical and mechanical codes.
 4. Installation of materials shall comply with manufacturer instructions.
 5. Contractors shall submit invoices for payment on completed work only.
 6. All completed construction work shall be inspected and approved by City staff and shall include photos of completed work. Final inspections shall also be approved by the property owner(s).
-

7. Submitted invoices shall include lien waivers and sworn statements from the contractor and their suppliers and sub-contractors.
8. The awarded contractor shall be responsible for completion of each item specified in the written specifications. Any changes shall be authorized by the City, using a formal change order and signed by the contractor and the property owner.
9. Contractors shall be fully responsible for obtaining necessary permits as required by the local inspections division. Copies of all permits shall be included in the project file before processing the first invoice from the contractor.
10. City staff will provide copies of all invoices, inspection reports, photos, sworn statements and lien waivers to the lender when applicable.

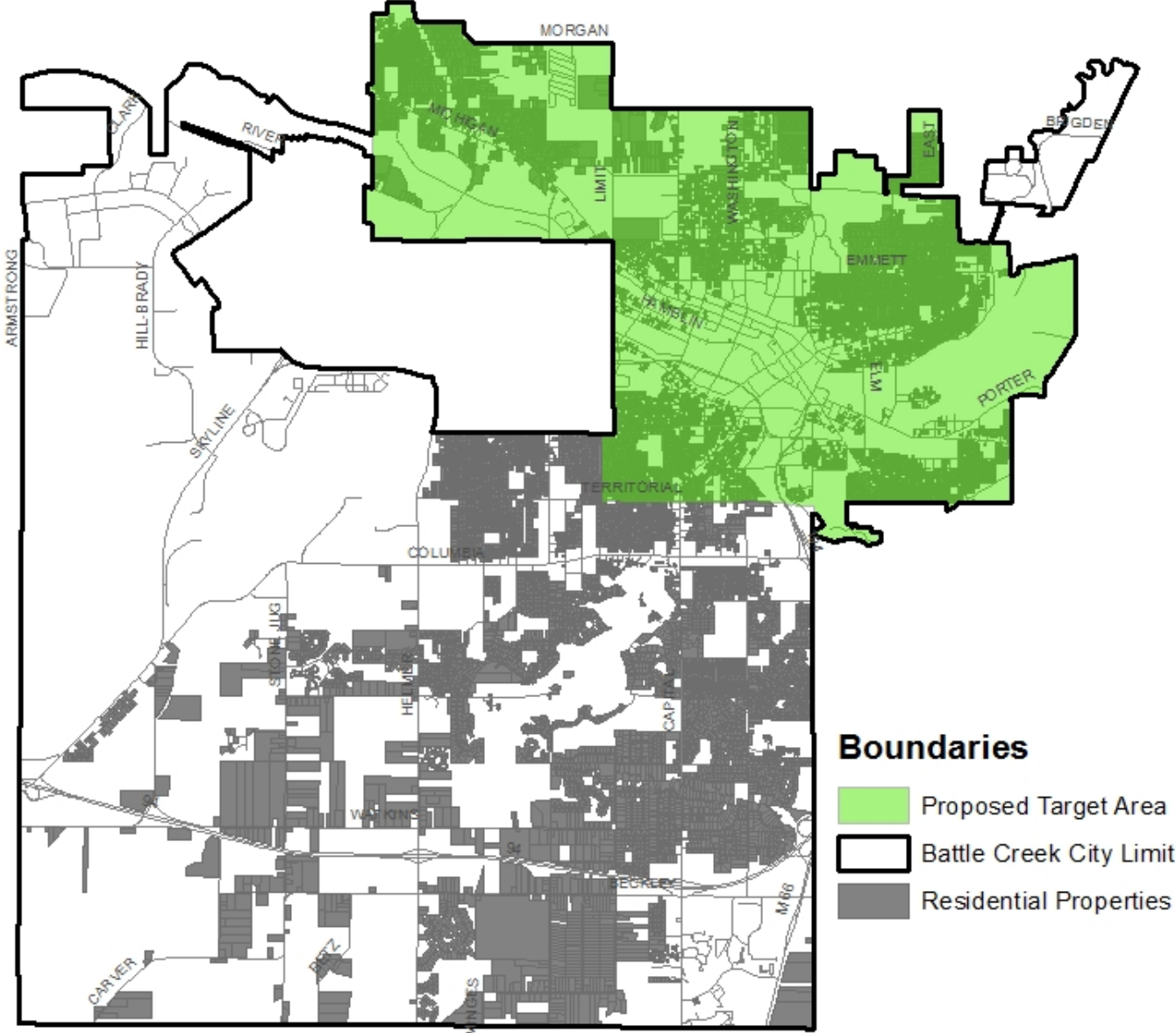
H. Project Close Out

1. Program staff will use Project Closeout form to verify all required items are in the file.
 2. The appropriate staff person will be notified in the event of missing items and will have five business days to respond.
 3. Intake Staff will verify copies of all necessary invoices and documentation are included in the file.
 4. Upon verification of all required documents, disclosures items and invoices, the file shall be reviewed for completion and signed by Grant Specialist.
 5. All files will be kept in a secure location for five years beginning the day after the lien is discharged. Following the five-year retention period, the City will securely destroy all files.
-

VI. LIST OF APPENDICES

1. Appendix A: Map of BCPS HIP Target Area
 2. Appendix B: Benchmark Progress Report
 3. Appendix C: Application & Enrollment Process
 4. Appendix D: Eligible Borrower Costs and Fees
-

Appendix A: BCPS Housing Incentive Program Target Area



Appendix C: Application & Enrollment Process

Home Purchase Assistance Process

Step	Action	Responsible
1	Fully complete application	Applicant
2	Submit application to Enrollment Coordinator	Applicant
3	Determine applicant eligibility for program	Program Staff
4	Phone or in-person intake	Applicant, Program Staff
5	Provide copies of loan pre-qualification from an approved lender	Applicant
6	Approve enrollment into program and notify applicant	Program Staff
7	Select target property for primary residence within 60 days of enrollment and notify Enrollment Coordinator	Applicant
8	Perform field inspection, determine property eligibility, and prepare a scope of work	Program Staff
9	Secure purchase agreement and related financing for pre-approved property within 30 days of property approval	Applicant
10	Complete closing, provide down payment assistance	Applicant, Program Staff
11	Complete bid out of construction within 30 days of purchase	Program Staff
12	Manage construction, perform inspections, process invoices	Program Staff
13	Final Inspection and project close out/sign off	Applicant, Program Staff

Home Owner Assistance Process

Step	Action	Responsible
1	Fully complete application	Applicant
2	Submit application to Enrollment Coordinator	Applicant
3	Determine applicant eligibility for program	Program Staff
4	Phone or in-person intake	Applicant, Program Staff
5	Provide copies of loan pre-qualification from an approved lender, or proof of secured funds	Applicant
6	Approve enrollment into program and notify applicant	Program Staff
7	Perform field inspection, determine property eligibility, and prepare a scope of work	Program Staff
8	Complete closing (if applicable)	Applicant
9	Complete bid out of construction within 30 days of purchase	Program Staff
10	Manage construction, perform inspections, process invoices	Program Staff
11	Final Inspection and project close out/sign off	Applicant, Program Staff

MSHDA Borrower Costs and Other Fees

This list is not all-inclusive.			
Any fees listed as allowed for actual cost are subject to verification upon request.			
Additional fees/charges are assessed on a case-by-case basis.			
	DESCRIPTION OF FEES	ELIGIBLE	EXPLANATION
	Application Fee	Not Allowed	
	AUS Fee (Automated Underwriting)	Actual Cost	3rd party AUS system
	Buyer-Broker Fees (Real Estate)	Actual Cost	Real estate broker must be exclusive agent of the mortgagor (Prohibited if there is any financial interest between the broker and buyer)
	Closing Fee	Actual Cost	
	Commission	Not Allowed	Real estate commission
	Commitment Fee to Non-Profit	Actual Cost	Any commitment fee, application fee, or processing fee charged by a non-profit agency or government entity is allowed to be charged to the buyer; includes MCC fee
	Courier Fees	Actual Cost	
	Credit Report Fees	Actual Cost	
	Documentation Preparation	Allowed	Maximum \$75
	Document Stamp on Deed	Actual Cost	
	Flood Certification	Actual Cost	
	Home Inspection Fee	Actual Cost	Maximum \$400 or the actual cost
	Lock-in Fee (Commitment Fee)	Not Allowed	
	Notary Fee	Actual Cost	
	Origination Fee	Allowed	Up to 1% of base mortgage amount (if HUD Line 801 exceeds 1%, additional origination charges MUST be itemized)
	Pest Inspection	Actual Cost	
	Printing/E-mail Fee	Actual Cost	Maximum \$50 (i.e. title company charging customer to print closing documents from secured E-doc web-link)
	Processing Fee - Lender	Not Allowed	
	Processing Fee - Real Estate	Allowed	Maximum \$300; when charged by real estate company & shown on sales contract
	Recording Fee	Allowed	(Recording fees for Assignments cannot be charged on VA loans)
	Re-key Fee	Allowed	Maximum \$200
	Servicing Fee	Not Allowed	
	Survey	Actual Cost	
	Tax Certificate	Not Allowed	
	Tax Service Fee	Not Allowed	
	Title Policy/Lender	Actual Cost	
	Title Policy/Owner	Actual Cost	Typically paid by Seller
	Transfer Tax	Actual Cost	Seller's charge only
	Underwriting Fee	Allowed	Maximum \$350 (Conventional, Rural Development & FHA Loans)
	Verifications/Condo Questionnaire	Actual Cost	
	Well & Septic	Actual Cost	
	Wire Fee	Actual Cost	
			-