

## **Florida First Time Homebuyer Opportunity Program FAQ**

**Will there be rulemaking for FHOP?** *No. Although there will be rulemaking for SHIP this year, those changes are being made to incorporate program changes made in SB 360. There will be no rule for FHOP. FHOP must adhere to all SHIP rules and regulations except where noted in the legislation.*

**How will funds be allocated?** *Funds will be allocated according to the SHIP statute (420.9073, F.S.). All SHIP eligible local governments will receive some funding.*

**When will funds be available to local governments?** *Due to documentary stamp collections, the first disbursement will not be available until the first week of August.*

**Where do interested persons apply for funding?** *A list of all local government SHIP offices and contact information is listed at:*

*[http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/AppPage\\_SHIPLGContacts.aspx](http://apps.floridahousing.org/StandAlone/FHFC_ECM/AppPage_SHIPLGContacts.aspx)*

**When will funds be made available to the public?** *Each local government will be able to process funding to applicants once they have received funding from the state in August. In some cases, local governments may not have completed their advertising or approval process at that time which would delay funding in that jurisdiction.*

**Can A borrower use the FHOP funding as the required 3.5% down payment requirement for FHA?** *Borrowers who access the \$8,000 tax credit through a state or local government program may use it to make up the required 3.5% DP; those who access through any other FHA-approved lender must (as with any standard FHA loan), provide the 3.5% themselves.*

**What sources of money may we leverage with FHOP to assist a homebuyer?** *There are no restrictions on leveraging other funds. For SHIP funds, you could leverage unexpended funds from previous year's allocations or program income.*

**Can a mobile home be purchased?** *The SHIP rule still applies related to 'Eligible Housing'. However, since the passage and signing of SB 360, manufactured housing that meets certain criteria are eligible under SHIP. This change will be included in the rule during the rulemaking process.*

**How will the buyer's income to determine eligibility, 2008 income or the 2009 income?** *Look at their 2008 income tax return AND also determine that their income is also below \$150,000 for 2009 when they buy their house.*

**Will there be a change in how to document income?** *FHOP requires documentation of the income of tax payers. And yet it is possible for a household to have more than one tax payer*

*filing separately. FHOP follows SHIP rules, and the SHIP program requires us to estimate income for the next 12 months.*

**Are we documenting income based on just the tax return they provide OR do we have to do our traditional third party verifications?** *You must do third party verifications. You may have to do two income calculations. 1) Determine if they're eligible for the Tax Credit and 2) Determine if they're SHIP income eligible.*

**In the LHAP, can an Income Max Below \$150,000 per family be incorporated?** *Eligibility must remain set at \$75,000 for individuals and \$150,000 for couples. However, there is no prohibition from setting a priority for first serving applicants with lower incomes before serving higher income applicants.*

**Do we have to advertize 30 days in advance of taking FHOP applications?** *Yes.*

**If we allow FHOP repayment through installment payments, will this overly tax our staff?** *It may and you still are limited to no more than a 10% admin budget.*

**Does FHOP have a separate Education requirement for buyers?** *There is nothing required in this Legislation, but the first mortgage provider often has some minimum requirement. If the local government requires homeownership counseling, it is legible just as in SHIP.*

**Can you explain what you have referred to about 36 months?** *The legislation States: (6) If the county or eligible municipality receives repayment from the homebuyer within 18 months after the closing date of the loan the county or eligible municipality shall waive all interest charges. A homebuyer who fails to fully repay the loan within 18 months shall be subject to repayment terms provided in the local housing assistance plan. Therefore, a jurisdiction may explain in its LHAP that it is setting a repayment plan which requires repayment starting 36 months after home purchase, in order to avoid negatively affecting FHA's debt ratio calculations. The LHAP must clear state that the recapture terms will be recorded as a lien against the property. In addition, [FHA's Mortgagee Letter 2009-15](#) states that a balloon payment cannot be required.*

**Can there be a limit on assistance to ONLY those who will agree to amend their 2008 taxes, so we can get repaid quickly?** *This may be helpful to ensure the funds are expended in a timely manner, but may not be practical in all situations.*

**Do our SHIP maximum purchase price limits apply to FHOP?** *Yes.*

**When FHOP is repaid as Program Income, can it be used for any SHIP strategy?** *If you are repaid during the period when there is still an active homebuyer tax credit program, then it MUST be used to help more FHOP buyers. After this tax credit ceases, then the program income can be spent on any SHIP strategy.*

**Will the FHOP money go into our Local Housing Trust Fund OR do we need to place it in a separate account?** *Funds should be deposited in the Trust Fund.*

**For those who have just turned in a new LHAP, do we have to amend our LHAP to zero fund the 09/10 housing delivery goals chart?** *No, but you will have to add a FHOP strategy to the LHAP.*

**Can we combine 08/09 SHIP funds with FHOP to help a homebuyer?** *Yes, but consider the logistics: you will have two subordinate mortgages with different terms. You can have one mortgage with different terms for different amounts of money. Example: “\$8000 is due when you get your tax credit, and \$20,000 is a deferred payment loan.” Get help from your legal counsel. Consider a big concern: combined loan to value.*

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