

KARUK TRIBE HOUSING AUTHORITY
Chapter 10
MORTGAGE RELIEF ASSISTANCE PROGRAM

This program provides a grant to qualified first time Native American “homebuyers” whose income is between 80 and 100% of the United States median income. Mortgage Relief Assistance shall be used to buy down the principle of a home loan obtained to purchase a single-family home in standard condition. The purpose of this grant is to enable homebuyers to refinance thereby reducing monthly payment amounts of a home loan, who otherwise may not be able to afford monthly payments due to the lack of sufficient down payment funds. Available assistance will not exceed 10% of the Indian Housing Block Grant.

1.1 ELIGIBILITY REQUIREMENTS

Mortgage Relief Assistance grants may be awarded and applied toward the principle of a home loan obtained to purchase a primary residence under the following conditions:

- In addition to eligibility requirements described in this policy, applicants for the Mortgage Relief Assistance program must demonstrate they have entered into a sales contract with a seller for the purchase of a home. For owner contracts, the applicant’s gross annual household income must:
 - ▾ Be adequate to support a mortgage payment, taxes, insurance, and maintenance;
 - ▾ Exceed 80% median income in accordance with national limits, but not exceed 100%;
 - ▾ Be no less than \$30,450 per year;
- Applicants must not have past due unpaid debts owed to the Karuk Tribe of California, Karuk Tribe Housing Authority, or any Tribal programs.
- Applicants must be first time homebuyers.
- Applicants will be pre-screened to determine that they have entered into a purchase agreement within 1 – 5 years and have received financing at the time their application comes to the top of the waiting list and prior to approval of any award. Applicants will be given ninety days, from the date they are notified of their selection, to provide this assurance from the lending institution or seller. If the applicant fails to meet the ninety-day deadline, their application will be removed from the waiting list.

- The Karuk Tribe Housing Authority will have three grants available each year and will not be obligated to continue this program when funds are exhausted.

1.2 PROPERTY ELIGIBILITY REQUIREMENTS

- ◆ The property to be purchased must be located within the Tribe's formula area.
- ◆ The property must be legally zoned for residential use.
- ◆ The dwelling must be a site-built home (or other approved technology), a modular home, as defined, or a manufactured home.
- ◆ If the dwelling is a new manufactured home, it must have a minimum of 840 square feet of living space, and meet all state and local construction and placement specifications for the area in which it is located.
- ◆ Activity must have environmental clearance in accordance with 24 CFR Part 58 prior to obligation, award, or expenditure of funds.
- ◆ The dwelling must be on a foundation.
- ◆ If the dwelling is a pre-owned manufactured home, it must be no more than ten (10) years old, and meet the above requirements.
- ◆ All homes must be in standard condition and meet inspection requirements of the lender. In the case of a land sale contract, the home and property must meet the inspection requirements.
- ◆ Ineligible properties include, but are not limited to: vacant land, rental or commercial property, mobile home or travel trailers, homes on Tribal lands built with a 1937 Act grant.

1.3 TERMS AND CONDITIONS

- The grant amount is a maximum amount of \$10,000, and shall not exceed 20% of the value of the home.
- The recipient must have entered into a purchase contract within 1 - 5 years of the date of application for assistance.
- The recipient must provide the Housing Authority with a copy of the title search. The title search must show that the seller is the owner and has the legal right to sell the property.
- The recipient must maintain the dwelling as his primary residence for a five-year period upon receipt of the grant. This grant is secured by a recorded Payback Agreement, which requires the recipient to repay the grant amount if he does not comply with the residency period. If the Payback Agreement is violated, the recipient will not be eligible to participate in any housing programs administered by the Housing Authority until the loan is repaid in full.

- The recipient must agree to maintain Homeowner's Insurance on the dwelling, naming the Housing Authority as a loss payee for up to \$10,000, for a minimum of five years after receipt of the grant, or until the residency period is satisfied. Insurance certificates must be provided to the Housing Authority.
- The grant must be used within three months after the applicant has received approval for program participation. If the applicant does not use the assistance within three months, it will be forfeited to the next applicant on the waiting list and the original recipient will have the option to be removed from or placed at the end of the waiting list.
- The grant funds will be released to the Financing Institution or appropriate third party agent after the time of closing. The financing institution must provide proof that the grant was applied to the principle amount with a statement showing the loan number and assessors parcel number.
- If the property transaction is a private land sale contract, the following additional conditions apply:
 - The property must receive a total home inspection, at the applicant's expense, by a qualified independent certified property inspector;
 - The home must be determined to be a "Home in Standard Condition".
- This loan is available to Tribal members one time only. A recipient shall only be awarded MRA once and not be eligible for an additional grant.

1.4 COMPLAINTS AND APPEALS

1.4.A Ineligibility Determination Review

Ineligible applicants will be notified in writing within (10) working days of the determination, stating the reason for their ineligibility and offering them an opportunity to appeal the Staff decision.

Applicants must submit their request for an appeal in writing to the Karuk Tribe Housing Authority's Executive Director within ten (10) working days from the date of the determination. Failure to request a review within ten (10) working days will constitute forfeiture of any further consideration of eligibility related to this application.