Forsyth County Government

Community & Economic Development

HOMEBUYER ASSISTANCE PROGRAM

ASSISTANCE POLICY & UNDERWRITING GUIDELINES

July 1, 2026 – June 30, 2027

Forsyth County Government Center
201 N Chestnut Street, Winston-Salem, NC 27101
O: 336-703-2680   Email: forsythced@forsyth.cc
www.forsyth.cc

TABLE OF CONTENTS

ASSISTANCE POLICY

1.0 PROGRAM OBJECTIVE

The Forsyth County Homebuyer Assistance Program provides assistance to low- and moderate-income persons and families for the purchase of their first home. Homeownership is essential to achieving the American dream, creating stable and thriving communities as well as inter-generational wealth for families. Forsyth County's Community & Economic Development department's program objective is to:

- provide thorough knowledge of homeownership through homebuyer education and counseling,
- ensure that the homebuyer is ready to acquire housing and can sustain homeownership, and
- assist with funding deficiencies by providing down payment and closing cost assistance to allow homebuyers to purchase affordably.

These objectives are accomplished by working with local Lenders, Realtors, and Forsyth County's Partners in Educating Future Homebuyers:

Center for Homeownership
7280 North Point Blvd., Suite #100, Winston-Salem, NC 27106
www.financialpaths.org/homeownership
336-773-0286

Housing Foundation of America, Inc.
122 N. Elm Street, Suite #525, Greensboro, NC 27401
www.homeapproved.org/live-workshops
336-780-7530

2.0 FUNDING SOURCES AND AVAILABILITY

2.1 FUNDING AVAILABILITY

i. Funds are provided by the United States Department of Housing and Urban Development (HUD). HUD's HOME Investment Partnership Program funds are awarded to the Winston-Salem/Forsyth County Housing Consortium to administer the County's Affordable Home Ownership Program (AHOP). The County's grant period is July 1 – June 30 each year. Funds are processed and disbursed on a first-come, first-served basis to eligible homebuyers until program funding is depleted.

AHOP-HOME funds are available to eligible buyers for the purchase of existing and new construction properties located within Forsyth County, outside of the city limits of Winston-Salem and town limits of Walkertown, with a maximum household area median income (AMI) of 80% and a maximum purchase price within HUD limits. Location restrictions do not apply to eligible buyers who have graduated from the IDA Program.

ii. Funds are provided through the North Carolina Housing Finance Agency (NCHFA). Agency funds are awarded to Forsyth County through the Community Partners Loan Pool (CPLP) program. The County's grant period is January 1 – December 31 each year. Funds are processed and disbursed on a first come, first served basis to eligible homebuyers until program funding is depleted.

CPLP funds are available to eligible buyers for the purchase of existing and new construction properties located within Forsyth County, including the city limits of Winston-Salem, with a maximum household area median income (AMI) of 80% and a maximum purchase price within HUD limits.

2.2 LEVERAGED FUNDING/OTHER FUNDING SOURCES

Any other funding sources used in the purchase transaction must have a firm, written commitment, and must be disclosed on the offer to purchase contract and/or residential mortgage application or other approved written documentation with all terms, conditions, or applicable amendments disclosed.

3.0 AMOUNT OF ASSISTANCE

3.1 FUNDING AMOUNT(S)

The amount of program assistance is based upon income, household size, and the homebuyer's needs. Eligible homebuyers may receive up to $90,000 for down payment and closing cost assistance in any area within the Forsyth County limits. Eligibility factors will apply.

Factors used in determining assistance amounts:

- Homebuyer financial resources
- Contract purchase price [Note: May not exceed HUD Maximum Sales Price Limit]
- Debts
- Other source funding availability
- Loan program type
- Seller contribution
- Loan discounts/fees
- Housing and Debt-to-Income Ratios

3.2 MAXIMUM ASSISTANCE AMOUNT

Unless special circumstances or programs apply, the maximum amount of assistance that may be awarded to an eligible buyer is $90,000 [AHOP-HOME maximum $40,000 and CPLP maximum $50,000]; the program will only provide the minimum amount of funds necessary to qualify for a loan. The Housing Loan Officer will use the loan and/or closing-cost estimate, provided by the lender, to confirm the minimum amount of funds needed for the homebuyer to qualify for a loan. The County's financing cannot exceed 25% of the purchase price.

FCCED has the following funding assistance options for eligible homebuyers:

- Up to $40,000 or twenty-five percent (25%) of the sales price, whichever is less from the AHOP-HOME funds.

- Up to $50,000 or twenty-five percent (25%) of the sales price, whichever is less from the CPLP funds.
- Up to ten percent (10%) of the sales price when used in combination with a USDA Rural Development 502 loan (Direct Purchase and Construction-to-Permanent).

3.3 MINIMUM ASSISTANCE AMOUNT

The minimum amount of assistance allowable to an eligible buyer is $1,000.

4.0 **ELIGIBILITY**

To qualify for assistance, buyers must meet the preliminary eligibility criteria as follows:

4.1 FIRST-TIME HOMEBUYER STATUS

The homebuyer must meet one of the following criteria per HUD/FHA guidelines:

- An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meet the above test, they are considered first-time homebuyers).
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

4.2 PRIMARY RESIDENCE

The homebuyer must occupy the home as a principal residence during the loan term. A declaration of restrictions will be signed at closing acknowledging this condition. Sale or rental of the property will be an event of default of the loan terms. Homebuyers must occupy the property within 60 days of signing the security instrument at Closing.

4.3 INCOME LIMIT

The homebuyer’s household total compliance income cannot exceed 80% of the Area Median Income (AMI) for the Winston-Salem HUD Fair Market Rate (FMR) Area. Income limits are published annually by HUD.

80% AMI threshold limits for 2026 are listed below and are subject to annual updates.

1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
$48,550	$55,500	$62,450	$69,350	$74,900	$80,450	$86,000	$91,550

Effective June 1, 2026

Current income limits are also available online or by contacting program staff.

5.0 GENERAL PROGRAM REQUIREMENTS

The Homebuyer Assistance Program purpose is to provide financial assistance to eligible homebuyers to aid in achieving affordable homeownership. Federal funds may be utilized for down payment and closing costs. These funds are provided by the Housing and Urban Development (HUD), Winston-Salem/Forsyth County Housing Consortium, North Carolina Housing Finance Agency (NCHFA), and Forsyth County. To ensure the program operates effectively and equitably, the following general requirements apply:

5.1 PROGRAM LIMITATIONS

Assistance is available only for first-time homebuyers, as defined by HUD guidelines. Properties purchased must be located within Forsyth County's Tax Jurisdiction. Combined maximum CPLP and AHOP-HOME assistance amounts are not to exceed $90,000 per household. Assistance is limited to single-family homes, townhomes, or FHA-Approved condominiums, NEW Manufactured and NEW Modular homes that meet HUD's property standards. An eligible homebuyer's total household compliance income must not exceed 80% of the Area Median Income (AMI) for Forsyth County, NC.

5.2 HOMEBUYERS EDUCATION CLASS

Completion of an 8-hour HUD-approved homebuyer education class conducted by a HUD-approved agency and Instructor is mandatory for all program participants. Proof of completion must be provided before funds are disbursed. Classes can include topics such as budgeting, understanding mortgages, and home maintenance. Participants must complete the Home Maintenance course conducted by County staff.

Additionally, a 2-hour one-on-one homebuyer consultation with a HUD-certified counselor must be completed for approval of CPLP funding.

5.3 PREFERRED LENDERS & REALTORS

Homebuyers are encouraged to work with Lenders that have completed the annual Lender & Realtor training workshop hosted by Forsyth County's CED Department. Preferred Lenders and Realtors are vetted to ensure compliance with program requirements and fair lending practices. A list of Preferred Lenders & Realtors will be provided upon request.

5.4 REAL ESTATE REPRESENTATION

Participants are encouraged to work with a licensed Real Estate Broker. Brokers must adhere to ethical practices and standards required by the NC Real Estate Commission, including full disclosures/representations of property conditions and buyer representation. Homebuyers may use Brokers of their choosing, provided the Broker is not affiliated with any predatory practices. Matters involving violations, unethical practices and representations will be referred to the NC Real Estate Commission.

5.5 FAIR HOUSING/FAIR LENDING

All program activities must comply with the Fair Housing Act and Equal Credit Opportunity Act. Forsyth County CED does not discriminate on the basis of race, color, religion, national origin, ancestry, age, sex, familial status, physical handicap or disability in its employment opportunities, programs, services or activities. The program will take proactive measures to prevent and address housing discrimination. Complaints related to Fair Housing, Fair Lending or Equal Credit Opportunities will be referred to the appropriate Regulatory Agency(ies).

5.6 INTERPRETATION/TRANSLATION

Interpretation and translation services will be made available to program participants with limited English proficiency (LEP). Written materials will be translated into Spanish as needed to ensure accessibility. Requests for language assistance can be made at any stage of the program.

NOTE: Identification or Request for translation services other than Spanish will be accommodated as needed.

5.7 CITIZENSHIP VERIFICATION

In accordance with North Carolina Senate Bill 513, Part III Section 3(d), government agencies providing publicly funding housing assistance must verify immigration status or citizenship for all borrower(s). FCCED will utilize the U.S. Citizenship and Immigration Services SAVE Verification System to confirm eligibility of citizenship. Most requests are verified at time of submittal; however, if additional verification is necessary, the response time may extend to approximately 9 federal workdays.

6.0 QUALIFYING LOANS

6.1 LOAN TERMS

The terms for both AHOP-HOME and CPLP down payment assistance programs are 0% "Silent" loans with repayment deferred for thirty (30) years provided the purchaser continuously resides in the property as their primary residence during the Period of Affordability per HUD guidelines. The loan is repayable when the 1st mortgage has been paid in full, upon transfer of title, cash-out refinance, foreclosure, default or death of borrower.

NOTE: If home is inherited by an income-eligible heir, the loan may roll over or a new loan may be issued.

*Down payment, closing cost, and/or gap financing subject to change without notice based upon funding availability.

6.2 LOAN TYPES

FCCED provides down payment assistance with the AHOP-HOME (Affordable Homeownership Opportunity Program) funds. The funds are provided by Housing and Urban Development (HUD) to the Winston-Salem/Forsyth County Housing Consortium.

FCCED provides down payment assistance with CPLP (Community Partners Loan Pool) funds provided by NC Housing Finance Agency.

6.3 ELIGIBLE EXPENSES & CLOSING COSTS

The down payment may be utilized for the costs of acquiring single family housing and the reasonable, but necessary soft costs incurred by the homebuyer that are associated with the financing of the property. Necessary soft costs include those items that are incidental to the purchase of the property and may include:

- Processing and settlement costs
- Lender origination fees, max 1.5% of the loan amount
- Credit reports
- Fees for title evidence
- Fees for recordation and filing of legal documents
- Appraisal fees
- Escrow accounts to pay for up to 6 months of real estate taxes and one year of hazard insurance (homeowner's insurance)
- First-time Homebuyer Education fee(s)

6.4 INELIGIBLE EXPENSES

The down payment assistance may not be used for the following Costs or Expenses:

- Due Diligence or Earnest Money Deposits
- Professional Home, Radon, Pest or Lead-based Paint Inspections
- Costs related to Structural Inspections
- Property repairs or escrow holdback
- Delinquent taxes, fees, and other charges that are the Seller's responsibility
- Costs related to new construction of housing
- Rental assistance
- Costs related to relocation or moving
- Costs related to Utility transfer or start-up

6.5 HOMEBUYER REFUND AT CLOSING

Borrowers cannot receive funds back at closing that exceed $2,500 regardless of amount contributed from any source. All down payment funds must be used for Down Payment or Closing Expenses. Cash back above $2,500 must be applied towards reducing the principal balance of either the AHOP-HOME or CPLP loans. Also, any cash back at closing must receive prior approval.

7.0 **CALCULATION OF INCOME**

Homeownership frequently requires funds to maintain the home and respond to unforeseen repairs or other household expenses. Borrowers must be able to demonstrate that they will have adequate residual monthly income after all housing expenses (payment, interest, taxes, insurance, maintenance, HOA, utilities, maintenance), revolving debts, and childcare expenses are considered.

7.1 WHAT IS ANNUAL INCOME?

Annual income is defined as the gross annual income of all adults expected to live in the residence being financed, including income received by a household member who is 18 years of age or older (except a full-time dependent student).

While some lenders gross up non-taxable income *(i.e., calculating a higher household income because of non-taxable income)* for the borrower, FCCED does not allow grossing up of qualifying or compliance income to meet program ratios.

To demonstrate that a borrower has sufficient income stability, FCCED follows insurer guidelines (FHA, Fannie Mae/Freddie Mac, USDA, VA) for the first mortgage product the borrower is using. FCCED prefers to review two (2) years of consistent income, without gaps in employment or income, plus education history supported with W2s or profit and loss statements for those self-employed.

Annual income is the anticipated gross annual income from all sources received by all borrowers and household members, including all net income derived from assets for the 12-month period following the effective date of certification of income, exclusive of certain types of income as defined in 24 CFR 85 (the Federal Regulations governing the HOME Investment Partnerships Program), 24 CFR 5.609 (the Federal Regulations governing the Section 8 Definition of Annual income, which also lists income "*Inclusions" and "Exclusions")*, and 24 CFR Part 570 (the Federal CDBG [Community Development Block Grant] program regulations. Compliance income is the anticipated projected future income based on current circumstances, which may include a recent job loss, a change in marital status, a recent promotion, etc. The twelve (12) month projection is calculated regardless of its likelihood to continue. If it is not feasible to anticipate a level of the income over a twelve (12) month period, the income anticipated over a shorter period may be annualized, subject to a re-determination at the end of the shorter period.

Exceptions: Certain temporary income changes, such as one-time bonuses, seasonal income, or mandatory over-time may not result in disqualification if they do not reflect sustained earnings. Exceptions will be evaluated on a case-by-case basis.

7.2 DETERMINING ANNUAL INCOME

FCCED calculates the Compliance Income for all homebuyers utilizing the Housing & Urban Development (HUD) - Community Planning & Development's (CDP) Income Eligibility Calculator. The AHOP-HOME and CPLP down payment programs differ from other lending underwriting with respect to borrower eligibility requirements, calculating the household income (versus qualifying income), and timing of the approval process. The maximum household income must not exceed 80% of the Area Median Income adjusted for household size.

Unlike some loan programs which may calculate earned income or base income only for program eligibility purposes, FCCED requires that all income, both earned and unearned, be included for all household members over 18 years of age (**documented full-time students are exempt).*

7.3 VERIFICATION & TIMING OF INCOME

Income eligibility for FCCED homeownership assistance must be verified within six (6) months of closing or at the time of sales contract execution in the case of a home that is being built for the homebuyer takes longer than 6 months to construct. For ratios and demonstrating ability to repay, verification of employment/income would need to be resubmitted within 60 days of closing if underwriting review occurred at an earlier point due to construction.

For a standard purchase loan, verification of employment/income documents must be dated no more than 90 days prior to loan closing, or else recertification will be required. It is therefore advisable to make a preliminary determination of income level as early as possible. If a household is near the 80% of the Forsyth County Area Median income threshold, be advised that increases to the applicant's household income prior to loan closing could cause the homebuyer to exceed the maximum income limit for program eligibility if the process takes longer than six (6) months.

7.4 REQUIRED THIRD-PARTY DOCUMENTATION

Third-party written verification of all household members over the age of 18 is required and will be used to determine total household annual income. Household members with no income will be asked to sign an *Affidavit of Zero Income.* If a household member over the age of 18 is a student, a current transcript or proof of enrollment from the school must be provided.

Calculated income must be supported by applicable third-party documentation such as:

- W-2 forms
- Verification of employment/income forms
- Minimum of 60 days of Year-To-Date (YTD) earnings not more than 90 days old
- Child support decrees - In cases where child support has been ordered, but not paid, on behalf of children in the household, the file must contain a statement to that effect.
- Documentation of payment history from child support enforcement authorities
- Divorce decrees and/or absolute judgements
- Filed Separation Agreement (recorded Free Trader language)
- Award letters for Social Security Benefits
- Award letters for Social Security Disability
- Award letters for Supplemental Security Income
- Documentation of full-time student status from educational institution
- Payroll ledgers
- Section 8 vouchers (Home Ownership Program)
- Year-to-date Profit & Loss statement and previous 2 years of tax returns *(*for Self-Employed only)*
- Payments received for the care of foster children (reviewed on case-by-case basis as needed)
- Bank statements for all open household accounts
- Retirement/Pension statements

7.5 ASSISTANCE DENIAL - INCOME

Assistance may be denied if a homebuyer's household compliance income increases above the program's eligibility threshold of 80% of the Area Median Income (AMI) at any point prior to final approval or the disbursement of funds.

i. Notification of Ineligibility - Homebuyers whose income exceed program limits will receive written notification, as well as their respective lender and realtor, detailing:
   - The reason for ineligibility/denial.
   - Information about other potential resources or programs that may assist them.

7.6 APPEALS PROCESS - INCOME

Homebuyers who believe their assistance was denied in error may submit a written appeal to forsythcedfthb@forsyth.cc within 5 days of receiving notification. Appeals will be reviewed by program administrators, and a decision will be communicated in writing within five (5) business days.

8.0 ASSESSMENT OF HOMEBUYER'S ABILITY TO PURCHASE

FCCED's responsible lending practices are to ensure the homebuyers' ability to repay the mortgage and sustain the purchased home comfortably while being good stewards of the provided government funds. Therefore, it is our responsibility to determine the appropriate amount of assistance for the homebuyer.

NOTE: The maximum amount of assistance may not be provided – only the reasonable and necessary amount to meet program compliance standards.

8.1 CREDIT

The homebuyer must be a reasonable credit risk with a minimum credit score of 600 for AHOP-HOME and a minimum credit score of 640 for CPLP (660 for new manufactured homes). Buyers with a middle credit score less than 640 are not eligible for CPLP participation.

The homebuyer must be able to obtain an affordable mortgage that is not more than one percent (1%) higher than NC Housing Finance Agency published rates. Non-traditional credit may be accepted.

For buyers with two credit scores, FCCED will use the lower of the two scores.

8.2 HOMEBUYER RATIOS

i. FRONT-END RATIO – The homebuyer's Housing Ratio or **"Front-End Ratio"** is defined as the sum of their Principal, Interest, Taxes, and Homeowner/Hazard Insurance, Mortgage Insurance [if applicable] and any Homeowners Association Dues/Fees divided by their monthly income. If utilizing the County's AHOP-HOME funds, the front-end ratio must be between 20% and 33% of the household's monthly income. If utilizing NC Housing Finance Agency CPLP funds, the front-end ratio must be between 28% and 33% of the household's monthly income. Downpayment assistance may be reduced to ensure that the borrower(s) is contributing at least the minimum percentage toward their monthly housing payment to avoid over-subsidizing.

NOTE: Housing ratios should be no higher than 1% above the guidelines established with compensating factors.

ii. BACK-END RATIO - The homebuyer's total Debt-To-Income (DTI) or **"Back-End Ratio"** cannot exceed 45% of their total monthly qualifying income. This means that after the total monthly housing payment is added to all other debts *(i.e., consumer credit debt, car loans, student loans),* the total of those payments cannot exceed 45% of their monthly household income. This applies to the utilization of both AHOP-HOME and CPLP funds.

NOTE: The maximum DTI for a NC Home Advantage Mortgage$_{TM}$ is 45%. The maximum DTI for a USDA 502 Direct loan is 41%.

When the homebuyer's DTI ratios raise underwriting concerns, FCCED may calculate a cashflow analysis to determine homebuyer's repayment ability. Homebuyers will be evaluated on a case-by-case basis and the following compensating factors examined, including but not limited to:

- Strong cash reserves after closing
- Strong cash flow after paying other living expenses
- Mortgage payment is significantly lower than the buyer's current rent
- Consistent work history
- Part-time or self-employment earnings that do not have the tenure yet to be included in qualifying income
- Home Owner Association (HOA) that maintain exteriors, Energy Efficiency certifications, or other enhancements that lower ongoing cost to live in home

8.3 STUDENT LOAN DEBT

For outstanding Student Loans, regardless of payment status, FCCED will use the following in calculating their total monthly debt:

- The payment reported on the credit report or the actual documented payment, when the amount is above zero; or
- 0.5 percent of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report is zero.
- No payments will be included in debt calculation for deferred, forgivable student loans when documentation is provided from the student loan servicer/provider.

8.4 INDIVIDUAL DEVELOPMENT ACCOUNT (IDA) MATCHING FUNDS

FCCED collaborates in operating an Individual Development Account (IDA) with Experiment in Self-Reliance, Inc., Financial Pathways of the Piedmont/Center for Homeownership, ASPIRE, Habitat for Humanity-Forsyth, as well as participating Lenders and Realtors interested in sponsorship opportunities solely benefiting the program.

The IDA funds are matching grant funds provided to the approved homebuyer not to exceed $4K. All IDA matching funds will be available at the loan closing and reflected on the Closing Disclosure.

9.0 PROPERTY REQUIREMENTS

FCCED provides homeownership assistance to eligible homebuyers purchasing homes that are located within Forsyth County, North Carolina.

9.1 MAXIMUM PROPERTY SALES PRICE & PROPERTY VALUE

To be eligible for down payment assistance, the MAXIMUM Sales Prices may not exceed the limits set by HUD for Forsyth County, NC. The Maximum Sales Price limits are published annually.

Existing Construction	$268,000
New Construction	$305,000

Effective December 1, 2025

FCCED requires that eligible properties have an appraised value equal to or greater than the sales price. All properties must also have an appraisal that has been conducted within six (6) months of closing to document value.

9.2 ELIGIBLE PROPERTY TYPES

Eligible properties can be new or existing single family, stick-built homes or modular homes; new manufactured homes built to HUD Code on permanent foundations; and townhouse or condominium units (condominiums must be Fannie Mae Approved when applicable). Federal regulations pertaining to manufactured homes may be referenced in the following Codes:

[1] Code of Federal Regulations 24 CFR 92.251(e)

[2] Code of Federal Regulations 24 CFR 203.43f (c)(i)

NOTE: Minimum middle credit score for new manufactured homes is 660.

9.3 NEW CONSTRUCTION/UNSOLD BUILDER INVENTORY

Newly constructed homes must obtain a Certificate of Occupancy (CO) before the homebuyer can close on the home with down payment assistance. Homebuyers are never discouraged from obtaining a professional home inspection on new construction. Newly constructed homes that have been unoccupied for less than 12 months are eligible. However, if the property has been unoccupied for more than 12 months, the property will be classified as an existing home, even if never occupied, and will require additional housing inspections. (*see Existing Construction section)

9.4 EXISTING CONSTRUCTION

All existing homes must pass required property inspections. Copies of Inspection Reports must be submitted with request for down payment. Needed repairs or replacement must satisfactorily address health, safety, deferred maintenance, and durability issues for the homes to be eligible for assistance.

9.5 INSPECTIONS

All homes must meet HUD Property Standards. Property Standards ensure the following deficiencies threatening the property or buyer are adequately addressed:

- All threats to health and safety of the buyers (i.e. trip hazards, air quality, security, windows that do not stay raised when opened, doors that do not securely lock/unlock, electrical, plumbing)
- All major deferred maintenance issues
    - Defined as: failing roofs, compromised foundations, aging HVAC units, rotting exterior trim or siding, plumbing and electrical defects.
- FCCED discourages the purchase of properties where the homebuyer is responsible for maintaining the access road to the property. However, we will consider properties with a Private Road Maintenance Agreement
- Energy efficiency whenever possible (i.e. double-paned windows that have lost their seal/fogged, inadequate insulation)

NOTE: Items related to cosmetic issues differ from the above and are not related to the property standards entailed.

All inspections are the financial responsibility of the buyer.

i. New Construction/Unsold Builder Inventory –

a. A Certificate of Occupancy (CO) must be obtained prior to purchase on all new construction homes.

b. Forsyth County Minimum Housing Code Inspection – A Code Enforcement Inspector must inspect the house and confirm that it meets these minimum standards. <u>There is no charge for the Forsyth County Inspection.</u>

ii. Existing Construction – The following inspection must be conducted prior to closing on existing properties:

a. Home Inspection – performed by a licensed NC Home Inspector. The home inspection should cover the functionality of building systems and relative age of these systems. The home inspection should also document the age, based on manufacturer label of all major equipment and systems, including but not limited to water heater, HVAC system, roof and exterior.

NOTE: There may be additional inspections required, such as Septic, Well or Structural.

b. Radon Inspection

c. Pest Inspection

d. Forsyth County Minimum Housing Code Inspection – A Code Enforcement Inspector must inspect the house and confirm that it meets these minimum standards. <u>There is no charge for the Forsyth County Inspection.</u>

iii. Pre-1978 Homes - Existing houses built before 1978 must not have any Lead-Based Paint hazards / Defective Paint / Peeling Paint / Chipped Paint. Homes built before 1978 require additional inspections.

a. FCCED will only consider the purchase of pre-1978 homes that have passed one of the following inspections/assessments:

i. Visual Assessment* demonstrating no deteriorating paint above HUD's *De Minimis* level for lead-based paint under HUD's Lead Safe Housing Rule.
*minimum requirement

ii. Lead-based paint inspection including visual assessment documenting the condition of any paint found containing lead

iii. Lead-based paint Risk Assessment

1. A Clearance Report must be obtained if lead-based paint hazards are identified.

*See Lead-Based Paint Visual Assessment Introduction & Forms

Re-inspections serve as proof of repairs and are required before a loan can be approved.

9.6 ASSISTANCE DENIED – PROPERTY

i. Assistance may be denied if a property does not meet the Minimum Property Standards required by HUD <u>(24 CFR 200.926)</u>

ii. Notification of Ineligibility

a. Buyers who have selected a property that fails to satisfy the minimum property standards will receive written notification, as well as their respective lender and realtor, detailing:

i. The reason for ineligibility/denial.

ii. Reminder of program's required property standards

10.0 UNDERWRITING GUIDELINES

10.1 ASSET LIMITATIONS & AVAILABLE ASSETS

For eligibility purposes, all asset information must be listed on application documents. The asset limit is $5,000 in liquid assets (including gifts) for AHOP assistance. There is no asset limit if utilizing CPLP funds. This does not include long-term retirement savings (i.e. pension, 401k and IRA accounts, or life insurance with a cash value).

10.2 GIFT FUNDS

Gift funds may be used against the purchase price and/or closing costs and are acceptable. The applicant must provide an executed gift letter and all additional supporting documentation required by the first mortgage lender. Forsyth County staff may decrease the amount of subsidy based on the buyer's amount of gift funds.

10.3 HOUSING CHOICE VOUCHER (HCV) – ASPIRE (formerly known as HOUSING AUTHORITY OF WINSTON-SALEM)

Buyers participating in ASPIRE's Housing Choice Voucher may utilize a voucher. The amount of the HCV is not counted towards qualifying income; however, the HCV amount will be counted as a subsidy reducing the principal interest, taxes and insurance (PITI).

11.0 LOAN CLOSING

All loan closings must be conducted by a licensed Attorney located within the Winston-Salem/Forsyth County jurisdiction.

11.1 LIEN SECURING PROGRAM FUNDS

Downpayment assistance funds are secured by a Deed of Trust with Deed Restrictions and a Request for Notice with lien priority given based upon the amount of assistance provided. Deed of Trust, Deed Restrictions, and Request for Notice(s) will be filed with the Forsyth County Register of Deeds.

11.2 DPA FUND DISBURSEMENT PROCESS

All downpayment assistance funds are disbursed to the closing attorney at the loan closing.

11.3 OTHER REQUIRED PROGRAM DOCUMENTATION

Closing disclosures, buyer written agreements, promissory notes, and acknowledgements of loan terms will be collected at closing.

11.4 SECOND & THIRD MORTGAGEE CLAUSE

Based upon the funding source being utilized, the homeowner's insurance declaration must list Forsyth County Community & Economic Development as additional lien holder.

11.5 FLOOD INSURANCE

Flood insurance is required in North Carolina if your property is in a high-risk area and your mortgage is from a government-backed lender. However, even if your lender doesn't require it, you should consider purchasing flood insurance if you live in a moderate- or high-risk flood zone.

12.0 LOAN POLICY

12.1 LOAN DEFAULT

If during the loan term any of the following events occur, the downpayment assistance becomes due and payable:

- Once the first mortgage has been paid in full,
- Sale or transfer of the property,
- Change in owner-occupancy status, and/or
- Default on first mortgage.

The homebuyer must contact Forsyth County staff for the pay-off amount and pay-off instructions.

12.2 REFINANCING/SUBORDINATION

Homebuyers may refinance with prior County approval. Consideration for loan subordination is subject to review and approval and is completed only when the new loan terms are reasonable.

Contact Forsyth CED staff for refinancing guidance, homeowner subordination policy guidelines, or payoff amount and terms.

12.3 PERIOD OF AFFORDABILITY/RECAPTURE PROVISION

The Period of Affordability is the time in which a property must remain affordable to eligible households. The period of affordability shall in no event be less than the required minimum period of affordability under the applicable Program Regulations, which is thirty (30) years. The period of affordability is automatically terminated in the event of transfer of title. See 24 CFR § 92.254(a)(5)(i)(A). In the event the buyer transfers the sale of the property, FCCED shall have the right to demand the loan be paid in full.

FCCED shall follow the Recapture Provisions as defined by HUD, recouping the downpayment assistance funds once an assisted buyer is no longer residing in the principal residence as required by 24 CFR 92.254(a)(4)

12.4 LOAN ASSUMPTION

Only heirs or devisees, in the event of the death of the buyer/sole owner or both owners in entirety, may assume loans. Heirs or devisees may assume the property so long as they complete the application process and are deemed eligible for assistance.

12.5 SHORT SALE/FORECLOSURE

For those buyers facing foreclosure or considering a short sale, Forsyth CED must be notified. Forsyth CED will assist the buyer with resources and discuss how this action will impact terms and conditions of program funding. Forsyth CED will make the appropriate referral to a HUD-approved housing counseling agency.

12.6 INSURANCE CLAIMS

Homeowners insurance must be obtained. In the event of a claim, Forsyth CED may be listed on the insurance check as a loss payee dependent upon lien position. If the senior lender does not take responsibility for escrowing the check and monitoring the repairs, the County may take on that role, and any unused balance may be applied to the County's loan.

13.0 EXHIBITS & FORMS

- Intake Checklist
    - Verification of Employment – *Sample*
    - Income Tax Affidavit - *Sample*
- Forsyth County Loan Agreement - *Sample*
- Buyer Written Agreement - *Sample*
- Deed of Trust – *Sample*
- Promissory Note – *Sample*
- Request for Notice – *Sample*
- Declaration of Deed Restrictions – *Sample*
- Rider to Declaration of Deed Restrictions – *Sample*
- New Century IDA Program Letter of Agreement - *Sample*
- Property Inspections
    - Lead-Based Paint Visual Assessment Introduction & Forms – *Sample*

14.0 NEIGHBORLY PORTAL – PARTICIPANT PORTAL GUIDE

15.0 DEFINITIONS

- **Period of Affordability:** The period of time during which a property must remain affordable to eligible households.
- **Applicant:** A person or family that has applied for housing assistance.
- **Appraisal:** An estimate of a home's market value based on comparable recent sales in the home's immediate area or neighborhood conducted by a professional appraiser.
- **Appraiser:** An individual duly licensed by the state of North Carolina to complete the Appraisal.
- **Area Median Income (AMI):** Household income adjusted by family size for a given areas as calculated by the United States Department of Housing and Urban Development (HUD).
- **Award Commitment Letter:** Notification sent to an Applicant and if applicable, Co-Applicant indicating the action of reserving funds that are conditionally awarded to the Applicant as the second mortgage which can be applied for purchasing a specific dwelling unit. It is a pre-obligation. It is not legally binding and normally valid for 60 days.
- **Back-End-Ratio**: Also known as the Debt-to-Income Ratio, is the percentage that expresses the relationship between a borrower's total monthly obligations (including the total mortgage payment) and their gross income.
- **Closing Cost:** Ordinary and reasonable expenses above the sales price of the property incurred by buyers and sellers when transferring ownership of a property and acquiring financing through a mortgage loan.
- **Closing Disclosure:** A form that provides the final details required to complete the mortgage loan process by qualified Applicants under the DPA Program. It includes a breakdown of loan terms, projected monthly payment, closing cost and down payment applied.
- **Community Development Block Grant (CDBG):** An acronym used to reference a HUD grant program that supports community development activities to build stronger and more resilient communities.
- **Downpayment:** A sum of money that a buyer pays in the early stages of purchasing a home. The down payment represents a portion of the total purchase price, and the buyer will often take out a loan to finance the remainder.
- **Eligible Homebuyer:** Refers to the members of a household (an individual or a married couple), which the lenders have determined that Applicants have met all Forsyth County's Homebuyer Assistance Program requirements.
- **Fair Housing Act:** The Fair Housing Act of 1968, 42 U.S.C §3601-3619, prohibits discrimination against protected classes of people in for-sale or rental housing.
- **First-Time Home Buyer:** An Applicant(s) which has never owned a home nor has any

ownership interest in real estate at the time of application (i.e., primary, investment, timeshares, vacation homes, or vacant lots) or for those which haven't owned a home within the past three (3) years.

- **Front-End-Ratio:** A percentage that is expressed as the relationship between the buyer's housing expenses and their gross monthly income. The housing expenses include principal, interest, taxes, hazard insurance, mortgage insurance, and homeowner association dues.
- **Hazard Insurance:** Insurance coverage that protects a property against damage caused by fires and damages from hurricanes, earthquakes, and/or other natural disasters (exclusion of flood).
- **HOME:** Home Investment Partnerships Program (HOME) funded by HUD to create affordable housing for low- moderate-income households.
- **Household Income:** The anticipated adjusted gross amount of income from all sources of all adult family members as defined for reporting under the Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.
- **Household Member:** Any person occupying the same unit, regardless of their relationship. May include minor children, temporality absent family members or permanently absent family members (such as those who reside in a nursing home). For the Homeownership Assistance Program household members should not own residential property.
- **Household Size:** All persons occupying the same housing unit, regardless of their familial status or relationship. The household size includes all person, including minor children and adults.
- **Housing Counseling Agency:** Either a public or private nonprofit organization (i) established as a HUD-approved provider of homebuyer education courses for at least one (1) year in the geographical area in which it provides services, (ii) is knowledgeable concerning the local housing market, and (iii) has met the regulations found at 24 CFR part 214 to obtain HUD approval.
- **HUD:** The acronym for Housing and Urban Development
- **Lending Institution(s):** Financial and mortgage institution(s) duly authorized to carry out mortgage business in North Carolina and the nation. To originate subsidized loan under the Affordable Housing Program, Lenders must comply with the requirements and enter into agreement required by Forsyth County.
- **Lien:** The security interest created by a mortgage or loan on a property.
- **Long–Term** or **30-Year Fixed Mortgage**: A fixed rate and fully amortized mortgage loan with a term of 30 years of payment.
- **Low and Moderate Income (LMI):** Low-to-moderate income populations have incomes not more than 80% of the Area Median Family Income established by HUD. This income standard changes yearly and varies based on household size and geography. HUD has calculated adjusted income for the Winston-Salem Metro Area.
- **Mortgage:** A loan in which property or real estate is used as collateral. The Borrower agrees with a mortgage lender and the County wherein the borrower receives cash up front and then makes payments over a set time until the entire lien is repaid to the mortgage lender and the County.
- **PITI:** The acronym for principal, interest, taxes, and insurance (homeowner's, flood, and mortgage insurance).
- **Primary Residence**: Refers to the dwelling where a person maintains or will maintain a primary residence, and which will be occupied for the majority of the calendar year. A Person may only have one (1) primary residence at a time.
- **Property Value:** The assessed value of a property under normal competitive and the open market. The property market value must be established through an appraisal.
- **Purchase Price:** The cost of acquiring a residence. To qualify for the Homeownership Assistance Program, the purchase price cannot be higher than the appraised value.
- **Recapture:** The County will recoup all the Homeownership Assistance funds provided to the Borrower(s) when the owner no longer maintains the residence, has satisfied its first mortgage, so long as FCCED has a legal interest the dwelling.
- **Restrictive Condition or Deed Restriction:** Any restriction or obligation registered against

the property's title deed, which binds the owner and restricts the use of the property.

- **Second Mortgage:** A deed next in rank after the first deed on the same property.
- **Subsidy:** Direct financial assistance provided to the buyer to reduce their interest rate and mortgage principal.

Fannie Mae

Request for Verification of Employment

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

Instructions: **Lender** — Complete items 1 through 7. Have applicant complete item 8. Forward directly to employer named in item 1.
Employer — Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in item 2.
The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.

Part I — Request

1. To (Name and address of employer)	2. From (Name and address of lender)

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of Lender	4. Title	5. Date	6. Lender's Number (Optional)

I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and Address of Applicant (include employee or badge number)	8. Signature of Applicant

Part II — Verification of Present Employment

9. Applicant's Date of Employment	10. Present Position	11. Probability of Continued Employment

12A. Current **Gross** Base Pay (Enter Amount and Check Period)

☐ Annual ☐ Hourly
☐ Monthly ☐ Other (Specify)
$ ________ ☐ Weekly

12B. **Gross** Earnings

Type	Year To Date	Past Year 19___	Past Year 19___
Base Pay	Thru ______19__ $	$	$
Overtime	$	$	$ 0.00
Commissions	$	$	$
Bonus	$	$	$
Total	$ 0.00	$ 0.00	$ 0.00

13. For Military Personnel Only

Pay Grade	
Type	Monthly Amount
Base Pay	$
Rations	$
Flight or Hazard	$
Clothing	$
Quarters	$
Pro Pay	$
Overseas or Combat	$
Variable Housing Allowance	$

14. If Overtime or Bonus is Applicable, Is Its Continuance Likely?

Overtime ☐ Yes ☐ No
Bonus ☐ Yes ☐ No

15. If paid hourly — average hours per week

16. Date of applicant's next pay increase

17. Projected amount of next pay increase

18. Date of applicant's last pay increase

19. Amount of last pay increase

20. Remarks (If employee was off work for any length of time, please indicate time period and reason)

Part III — Verification of Previous Employment

21. Date Hired

22. Date Terminated

23. Salary/Wage at Termination Per (Year) (Month) (Week)

Base ____________ Overtime ____________ Commissions ____________ Bonus ____________

24. Reason for Leaving	25. Position Held

Part IV — Authorized Signature - Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistant Secretary.

26. Signature of Employer	27. Title (Please print or type)	28. Date
29. Print or type name signed in Item 26	30. Phone No.	

Income Tax Affidavit

State of North Carolina
County of _________________

I, the undersigned, being first duly sworn state the following:

1. Complete section (a) only if you were not required by law to file federal income tax returns for any year during the preceding three years.

   ________ (a) I certify that I was not required b law to file a federal income tax return for the following year(s) __________________ for the reason(s) stated below:

   ____

   ____

   Check section (b) only if the closing for the financing in connection with the Forsyth County Community & Economic Development will occur between January 1 and February 15, and you have not filed your federal income tax return for the prior year.

   ______ (b) I certify that the mortgage loan closing in connection with the Forsyth County Community & Economic Development is occurring between January 1 and February 15, and that I have not yet filed my federal income tax return for the prior year. I further certify that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim, deductions for real estate taxes or interest on indebtedness with respect to my principal residence for that year.

2. I acknowledge and understand that this affidavit is being made under penalties of perjury and will be relied on for purposes of determining the Borrower's eligibility for Forsyth County Community & Economic Development Assistance. **Fraudulent Statements** Any fraudulent statement will result in (i) the revocation of my Forsyth County Community & Economic Development Assistance, and (ii) a $10,000 penalty under Section 6709 of the Internal Revenue Code. **Material Misstatements due to Negligence –** Any material misstatement due to negligence on my part will result in a monetary penalty under Section 6709(a) of the Internal Revenue Code. **Other Remedies** - In addition, any material misstatement due to negligence or misstatement due to fraud that is discovered before the issuance of a Forsyth County Community & Economic Development Assistance or funding of Forsyth County Community & Economic Development Assistance will result in denial of my application for a Forsyth County Community & Economic Development Assistance. If Forsyth County Community & Economic Development Assistance has been issued prior to the discovery of a fraudulent statement, then any Forsyth County Community & Economic Development Assistance issued will automatically become null and void without any need for further action by a Forsyth County Community & Economic Development Assistance. If Forsyth County Community & Economic Development Assistance has been funded prior to the discovery of a fraudulent statement, the fraudulent misstatement will constitute an event of default and will entitle the holder of the Mortgage to accelerate the Note and to institute foreclosure.

3. I have been advised by the Lender to consult a tax accountant or to calculate my federal tax consequences as a result of participating in the Forsyth County Community & Economic Development Assistance program and not to rely solely on any statements made by the Lender or a Forsyth County Community & Economic Development .

____________________	______________________________
Date	Signature of Borrower
____________________	______________________________
Date	Signature of Co-Borrower/Co-Occupant

STATE OF__________________________
COUNTY OF _________________________

I certify that ____ personally appeared before me this day, and acknowledged to me that he or she signed the foregoing document for the purposes stated therein.

Witness my hand and official stamp or seal, this the ____ day of ______________________, 20___.

(Apply Notary Seal) Signature of Notary Public ____________________________

My Commission expires _________________________________

STATE OF NORTH CAROLINA

LOAN AGREEMENT

FORSYTH COUNTY

THIS LOAN AGREEMENT, made and effective this ____ day of _______, 202__, by and between Forsyth County, North Carolina (the "County"), and ______________________ (the "Borrower(s)");

For the purpose and subject to the terms and conditions hereinafter set forth, the County and the Borrower(s) hereby agree as follows:

1. Services. The County will provide down payment assistance to the Borrower(s) in the form of a loan under the HOME Investment Partnership Act in accordance with the below-described attachments, attached hereto.

The following documents, attached hereto, shall be incorporated herein upon full execution by all necessary parties:

Attachment A labeled Buyer Written Agreement
Attachment B labeled Deed of Trust
Attachment C labeled Promissory Note
Attachment D labeled Declaration of Deed Restrictions
Attachment E labeled Request for Notice
Attachment F Rider to Declaration of Deed Restrictions
Attachment G labeled New Century IDA Program Letter of Agreement

2. Term. The term of the loan shall begin on the date that the loan contemplated hereinunder is scheduled to close, unless sooner terminated by mutual consent or as hereinafter provided, and shall be provided until the Loan Agreement terminates as further described in the Deed of Trust.

3. Loan. Borrower(s) intends to purchase real property located at _____________________ _______________________________ (the "Subject Property"). The County agrees to provide the Borrower(s) with down payment assistance in the form of a deferred payment Loan in the amount of ___________________________________ dollars ($_________) payable as a lump sum at the time of Closing. The County will pay the Loan directly to the Buyer's Closing Attorney at the time of settlement through the escrow process. The Closing Attorney for the Borrower(s) is ____. Total payments under this Loan Agreement are not to exceed ___________________________ dollars ($_________). The County will only provide the funds specified in this Loan Agreement if all the terms and conditions required under the HOME Investment Partnership Act are met and the Borrower(s) are able to complete the purchase of the Subject Property.

4. Independent Contractor. The Borrower(s) shall operate as an independent contractor, and the County shall not be responsible for any of the Borrower(s)'s acts or omissions.

The Borrower(s), their employees, and subcontractors shall not be treated as an employee with respect to the services performed hereunder for federal or state tax, unemployment or workers' compensation purposes. Neither federal, state, nor payroll tax of any kind shall be withheld or paid by the County on behalf of the Borrower(s) or the employees of the Borrower(s). The Borrower(s) are fully responsible for the payment of any and all taxes arising from the payment of monies under this Agreement. The Borrower(s) shall comply with the North Carolina Workers' Compensation Act and shall ensure that their subcontractors also comply. The Borrower(s) shall not be treated as an employee with respect to the services performed hereunder for purposes of eligibility for, or participation in, any employee pension, health, or other fringe benefit plan of the County. The Borrower(s) have no authority to enter into contracts or agreements on behalf of the County. The County shall not be liable to the Borrower(s) for any expenses paid or incurred by the Borrower(s) unless otherwise agreed in writing. The Borrower(s) shall supply, at their sole expense, all equipment, tools, materials, and/or supplies required to provide contracted services unless otherwise agreed in writing.

5. Indemnification. The Borrower(s) agree to indemnify, defend, and hold the County harmless from and against any and all claims, expenses (including attorney fees), costs or liability for acts or omissions of the Borrower(s) relating to this Agreement or services provided pursuant to it.

6. Insurance. The Borrower(s) shall maintain, at their sole expense, insurance coverage as required by the Forsyth County Risk Manager and Homeowner's Insurance as required under the HOME Investment Partnership Act.

7. County Property. Borrower(s) agrees that they shall be responsible for the proper custody and care of any property furnished to them by the County for use in connection with the performance of this contract and will reimburse the County for loss of, or damage to, such property. Any information, data, documents, studies, or reports given to or prepared or assembled by the Borrower(s) under this Agreement shall be kept confidential and not divulged or made available to any individual or organization without prior written approval of the County.

8. Notice. All notices permitted or required to be given by one party to the other party shall be addressed and delivered in writing as follows:

For the County:
Ashley Pendley, Deputy Director
201 N Chestnut Street
Winston-Salem, NC 27101
pendlema@forsyth.cc

For the Borrower(s):
First Name, Last Name
Property Address
City, North Carolina Zip Code
Email Address

9. Assignment. The Borrower(s) may not assign its obligations under this Agreement.

10. Waiver. No action or failure to act by the County shall constitute a waiver of any of its rights or remedies or as approval or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

11. Governing Law. This Agreement shall be governed by North Carolina law, except that provisions regarding conflicts of laws shall not apply. The venue for any legal proceeding shall be in Forsyth County, North Carolina.

12. Non-appropriation. Notwithstanding anything to the contrary herein, in the event that public funds are unavailable and not appropriated for the performance of the County's obligations under this Agreement, then this Agreement shall automatically expire without penalty to the County 30 days after written notice of the unavailability and non-appropriation of public funds. In the event of a change in the County's statutory authority, mandate, or mandated functions by state or federal legislative or regulatory actions, which adversely affects the County's authority or duty to continue its obligations under this Agreement, then this Agreement shall automatically terminate without penalty to the County 30 days after written notice of such limitation or change in the County's legal authority or duty.

13. Survival of Provisions. All obligations arising prior to termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the parties shall survive the completion of services and termination of this Agreement.

14. Modification. This Agreement may only be modified in writing and signed by both the Borrower(s) and by the County Manager or other authorized County official.

15. Conflict with Attachments. In the event of any conflict between the provisions in this Agreement and any provisions in an attachment thereto or in a Purchase Order, the provisions in this Agreement shall take precedence over any provision in an attachment or in a Purchase Order.

16. Miscellaneous. The Borrower(s) shall comply with all applicable laws and regulations including but not limited to federal, state and local laws regarding business permits, certificates, and licenses that may be required to carry out the services to be performed under this Agreement and all federal immigration laws in its hiring and contracting practices. Borrower(s) and their subcontractors shall comply with Article 2 of Chapter 64 of the North Carolina General Statutes relating to the required use of the federal E-Verify program to verify the work authorization of newly hired employees. Failure of the Borrower(s) to comply with this provision or failure of its subcontractors to comply could render this contract void under North Carolina law. Borrower(s) hereby certifies that it is not on the North Carolina State Treasurer's lists of persons engaging in business activities in Iran or boycotting Israel, prepared pursuant to NCGS §§ 147-86.58 or 147-86.81, nor will Borrower(s) utilize for this Agreement any subcontractor on such lists. This agreement is intended for the benefit of the County and the Borrower(s) and not for any other party. If any provision of this Agreement shall be unenforceable, the remainder of the Agreement shall be enforceable to the extent allowed by law.

IN WITNESS WHEREOF, the authorized officials of the County and the Borrower(s) have set their hands and seals as of the day and year first above written.

FORSYTH COUNTY, NORTH CAROLINA

(SEAL)

By: ______________________________________
Shontell A. Robinson, County Manager

Date:_______________

ATTEST:

____
Ashleigh B. Matthews, Clerk to the Board

Date:_____________________

BORROWER(S):

By: ______________________________________

Printed Name:_____________________________
Title:____Buyer______________________
Date:_____________________________

Forsyth County Community & Economic Development
AHOP / HOME
Down Payment Assistance Programs

Buyer Written Agreement

Important Notice: Any change which occurs after the execution of this written agreement and not agreed to by the Agency in writing, including the terms of any funding source, may result in a reduction of the loan amount or cancellation of this commitment.

Borrower(s)'s Name: ______Co-Borrower(s)'s Name: ______________________

Property Address: __

Organization name and address:

Forsyth County Community & Economic Development **201 N. Chestnut Street, Winston-Salem, NC 27101-4120**

Participation, Authorization and Certification

I am applying for financing from the HOME / Affordable Home Ownership Program (AHOP) funds of Forsyth County Community & Economic Development to purchase housing.

I agree to fulfill the requirements to participate in homebuyer counseling sessions in order to be eligible for the down payment assistance funds.

I agree to fulfill the requirements associated with the down payment assistance funds, including at least two hours of annual post-purchase, face-to-face housing counseling, on or near the anniversary date of my loan closing.

I understand that I may be considered for financing from Forsyth County Community & Economic Development, but that by signing this release, completing the request for information, submitting supporting documentation, and/or meeting with the Loan Officer or completing the homebuyer education seminar with the Center for Home Ownership in no way guarantees acceptance, or an obligation of Forsyth County Community & Economic Development or any employee/representative involved to approve. I understand that if I am approved, any program funding is based on maintaining my eligibility by meeting program guidelines, and other criteria.

I give my permission for Forsyth County Community & Economic Development and staff working with the down payment assistance program, to discuss and share information regarding my household's eligibility, my mortgage, and any property I intend to purchase or subsequently purchase with my mortgage loan originator, buyer agent, credit bureaus, credit reporting agencies, creditors, my current and previous employer(s), and other information about my household credit and mortgage history, employment, and financial situation as it is necessary. I understand that this information will be treated as confidential and that access to this information will be limited to those who are directly involved in assisting with my request for down payment assistance.

I authorize Forsyth County Community & Economic Development to verify information submitted by myself or my mortgage lender or buyer agent and other documents required in connection with the mortgage loan, either before the loan is closed, during and after assistance has been provided, as part of the servicing process, or as part of its quality control program, or as needed.

HOME Agreement

I am requesting down payment assistance from Forsyth County Community & Economic Development. I understand that approval and all of the funding terms and conditions are based on information submitted by myself, my mortgage lender and buyer agent. I understand that if I am approved the funds received as down payment assistance from Forsyth County Community & Economic Development will be evidenced by a duly executed promissory note, secured by a deed of trust, and subject to deed restrictions.

Amount of HOME funds invested and Form of Assistance

I am receiving $______ from Forsyth County Housing & Community Development through the federal HOME Investment Partnership Program as gap financing in the form of a __ year, 0% interest-free deferred loan. There is no rehabilitation or construction work directly funded by this gap financing.

Value of the property, principal residence, and affordability period

The appraised value of the property is $ _____. The property value meets the Section 203(b) mortgage limits or the actual 95 percent of median sales price limits for Forsyth County.

I/We certify that I/we will occupy the real property located at _____ as my principal residence by the ___ day of ________; and will continue to reside in the property for the affordability period as defined by the HOME regulations. The affordability period expires on the _____day of __,_____ which is ___ years after the date of loan closing.

Recapture

Recapture provisions are used to ensure that Forsyth County Community & Economic Development recoups all or a portion of the HOME assistance, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The recapture provisions include the following options:

In the event I/We propose to transfer the Property at a price that will not generate a sum after payment of the Combined Mortgage and all costs of the Sale, which is sufficient to pay Forsyth County Community & Economic Development's portion of the loan in full, Forsyth County Community & Economic Development agrees to accept the Net Proceeds in full satisfaction of the Combined Mortgage Loan. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect the fair market value of the Property, Forsyth County Community & Economic Development shall have the right to demand that their portion of the loan be paid in full.

Entire Agreement

In witness whereof, the parties below have executed this Agreement on the date first written above. It is evidence of the commitment of HOME funds to this first-time homebuyer unit.

____
Borrower(s) Signature

____
Borrower(s) Printed Name

______________________________________ **Bianca Green**
Signature of FCCED Staff Date Printed Name of FCCED Staff

Prepared by:
Return to: Forsyth County Community & Economic Development
via interoffice mail

FORSYTH COUNTY HOME

AFFORDABLE HOME OWNERSHIP PROGRAM

DEED OF TRUST

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

"Property Address"

THIS DEED OF TRUST made and executed this ___day of _____________, **20** ___ , by and between ____ (the "Borrower(s)"); ***FREDERICK JOHNSON*** ___ (the "Trustee"); and ____***FORSYTH COUNTY*** (the "Lender"):

W I T N E S S E T H :

THAT WHEREAS, the Lender agrees to advance to the Borrower(s) the sum of ***Dollars*** ___ ($_________________) under the HOME Investment Partnerships Act, evidenced by the Promissory Note (the "Note") from the Borrower(s) to the Lender dated the same date as this Deed of Trust, which together with any amounts advanced to protect the security of this Deed of Trust shall be the total amount secured;

AND WHEREAS, it has been agreed that the Loan will be advanced subject to the terms and conditions for use of the property as set forth in the Note and this Deed of Trust, and which is repayable, if not sooner paid, on the date that is Thirty (30) years after the date hereof, all as provided in the Note or ___***Upon sale of the residence***___.

AND WHEREAS, it has been agreed that the Loan shall be secured by the conveyance of the land described in this Deed of Trust;

NOW, THEREFORE, in consideration of the premises and for the purpose aforesaid and for Ten Dollars ($ 10.00) paid by the Trustee, the receipt of which is hereby acknowledged, the Borrower(s) has bargained and sold and by these presents does bargain, sell and convey unto said Trustee, the Trustee's heirs, successors and assigns, the premises in Forsyth County, North Carolina, described as follows:

See Exhibit "A" attached hereto and made a part hereof.

together with all heating, plumbing and lighting fixtures and equipment now or hereafter attached to or used in connection with the premises (the "Property").

TO HAVE AND TO HOLD the Property, with all privileges and appurtenances thereunto belonging, to the Trustee, the Trustee's heirs, successors and assigns forever, upon the trust, terms and conditions and for the uses set forth in this Deed of Trust.

If there shall be any default in any of the terms, covenants or conditions of the Note, the terms of which are made a part of this Deed of Trust and incorporated by reference, or any failure or neglect to comply to the satisfaction of the Lender with the covenants, terms or conditions contained in this Deed of Trust, and if the default is not made good within the time period set out to cure such default, or if not is set out, within thirty (30) days, the Note shall, at the option of and upon demand of the Lender, at once become due and payable, and it shall be lawful for and the duty of the Trustee, upon request of the Lender, to sell the Property at public auction for cash, after having first given such notice of hearings as to commencement of foreclosure proceedings and obtained findings or leave of court as may be then required by law and giving notice and advertising the time and place of sale in the manner as may be then provided by law, and upon sale and any resells and upon compliance with the law then relating to foreclosure proceedings to convey title to the purchaser in fee simple. The proceeds of the sale, after the trustee retains his commission, shall be applied to the costs of sale, the amount due on the Loan and otherwise as required by the then existing law relating to foreclosures. The Trustee's commissions shall be five percent (5%) of the gross proceeds of the sale.

The said Borrower(s) does hereby covenant and agree with the Trustee and Lender as follows:

1. **PAYMENT AND PERFORMANCE**. Borrower(s) shall pay the Note and perform all other requirements at the times and in the manner provided in the Note and herein.

2. **RECAPTURE PROVISIONS**. In the event Borrower(s) proposes (the "Proposal") to transfer (the "Sale") the Property (other than pursuant to an approved Assumption as defined in the Note) at a price that will not generate a sum (the "Net Proceeds") after payment of the First Loan as defined in the Note and all costs of Sale, which is sufficient to pay the Note in full, Lender agrees to accept the Net Proceeds in full satisfaction of the Note. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect fair market value of the Property, Lender shall have the right to demand that the Note be paid in full.

3. **INSURANCE**. Borrower(s) shall keep the property and all improvements, now and hereafter erected, constantly insured for the benefit of the Lender against loss by fire, windstorm, and such other casualties and contingencies, in the manner and with companies as may be satisfactory to Lender. The amount of the insurance required by this provision shall be the lesser of either the amount of the loan secured by this Deed of Trust or 100% of the insurable value of the improvements on the Property. Borrower(s) shall purchase such insurance and pay all premiums in a timely manner. In the event that Borrower(s) fails to pay any premium when it is due, then Lender, at its option, may purchase such insurance. Such amounts paid by Lender shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower(s) upon demand of the Lender.

4. **TAXES, ASSESSMENTS, CHARGES**. Borrower(s) shall pay all taxes, assessments and charges as may be lawfully levied against the Property before the same shall become past due. In the event that Borrower(s) fails to pay all taxes, assessments and charges as required, then Lender at its option, may pay them and the amount paid shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower(s) upon demand of the Lender.

5. **WASTE**. The Borrower(s) covenants that Borrower(s) will keep the Property in good order, repair and condition, reasonable wear and tear excepted, and that Borrower(s) will not commit or permit any waste on the Property.

6. **WARRANTIES**. Borrower(s) covenants with Trustee and Lender that Borrower(s) is seized of the Property in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Borrower(s) will warrant and defend the title against the lawful claims of all persons whomsoever, except that title to the Property is subject to the following exceptions:

None (or if any, see Exhibit "B" which is attached hereto and incorporated herein by reference)

7. **SUBSTITUTION OF TRUSTEE**. Borrower(s) and Trustee covenant and agree that in case the Trustee, or any successor trustee, shall die, become incapable of acting, renounce this trust, or for other similar or dissimilar reason become unacceptable to Lender, or if the Lender desires to replace the Trustee, then the Lender may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the writing, the trustee thus appointed shall succeed to all the rights, powers and duties of the Trustee.

8. **CIVIL ACTIONS**. In the event that the Trustee is named as a party in any civil action as trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney fees of the Trustee in such action may be paid by the Lender and added to the Note secured by this Deed of Trust, and shall be due and payable by Borrower(s) upon demand of the Lender.

9. **PRIOR LIENS**. Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinated shall constitute default under this Deed of Trust.

10. **SUBORDINATION**. Any subordination of this lien to additional liens or encumbrances shall be only upon the written consent of the Lender.

In addition to the Loan, Borrower(s) has obtained a loan (the "First Deed of Trust Loan") from ____ (the "Senior Lien Holder") in an original principal amount of $______________________________, which Loan is secured by a first lien on the Property (the "First Deed of Trust"). The documents evidencing or securing the First Deed of Trust Loan are collectively referred to herein as the First Deed of Trust Loan Documents.

11. **RIGHT TO INSPECT**. To assure and protect its right in this Deed of Trust and the Property, the Lender shall have right of access and inspection of the Property at reasonable times and with reasonable notice to the Borrower(s).

12. **CONDEMNATION**. If the Property, or any part of the property, is condemned under any power of eminent domain, or acquired for public use, the damages, proceeds and the consideration for such acquisition, to the extent of the full amount of the indebtedness upon this Deed of Trust and if the Note remains unpaid, are hereby assigned by the Borrower(s) to the Lender and shall be paid to the Lender to be applied by Lender on account of the indebtedness.

13. **WAIVER OF DEFAULT**. No sale of the Property and no forbearance on the part of the Lender and no extension of the time for the repayment of the debt secured hereby given by the Lender shall operate to release, discharge, modify, change or affect the original liability of the Borrower(s) either in whole or in part. The Lender can, in its complete discretion, waive any default, and can waive by written instrument, in advance, any individual actions which might constitute a default.

14. **TRANSFER OF PROPERTY**. Beneficiary shall require immediate payment in full of all sums secured by this Deed of Trust if; all or part of the Property or an interest therein is sold or transferred by Borrower(s) without Lender's prior written consent; or the Property is not occupied by Borrower(s) as his or her principal residence.

15. **NOTICES**. Any notice to Borrower(s) provided for in this Deed of Trust shall be given by delivering it or mailing it by first class mail. The notice shall be directed to the Property Address or any other address Borrower(s) designates by notice to Beneficiary. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any address

Beneficiary designated by notice to Borrower(s). Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower(s) or Beneficiary when given as provided in this section.

16. **ACCELERATION IN CASE OF BORROWER(S)'S INSOLVENCY**. If Borrower(s) shall voluntarily file a petition under the Federal Bankruptcy Act, or under any Federal Statute relating to bankruptcy, insolvency, arrangements or reorganization, or under any state bankruptcy or insolvency act or otherwise admits insolvency or is adjudged insolvent or a receiver is appointed for Borrower(s) or the Property, then Beneficiary may, at Beneficiary's option, declare all of the sums secured by this instrument to be immediately due and payable without prior notice to Borrower(s). Any attorney fees and other expenses incurred by Beneficiary in connection with Borrower(s)'s bankruptcy shall be an additional indebtedness of Borrower(s) secured by this Deed of Trust.

17. **HAZARDOUS MATERIALS**. Borrower(s) warrants that:

(a) the Property shall be kept free of Hazardous Materials;
(b) Borrower(s) shall not permit the installation, generation, transportation or release of Hazardous Materials in or on the Property;
(c) Borrower(s) shall at all times comply with all applicable Environmental Laws affecting the Property and shall keep the Property free and clear of any liens imposed pursuant to any environmental Laws; and
(d) Borrower(s) shall immediately give Beneficiary oral and written notice in the event that Borrower(s) knows of a violation of these warrants or

receives any notice from any governmental agency or other party with regard to Hazardous Materials affecting the Property.

Borrower(s) hereby agrees to indemnify Beneficiary and hold Beneficiary harmless from any losses, liabilities, damages, injuries (including but not limited to attorney fees) and claims incurred or suffered by or asserted against Beneficiary, as a direct or indirect result of any warranty or representation made by Borrower(s) in this paragraph (Hazardous Materials) being false or untrue in any material respect.

For purposes of this Deed of Trust, “Hazardous Material” means petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or any hazardous, toxic or dangerous waster, defined as such in the Environmental Laws.

For purposes of this Deed of Trust, “Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, and “Superfund” or “Superlien” law, or any other federal, state or local law relating to standards of conduct concerning any petroleum products, and flammable explosives, radioactive materials, asbestos or any materials containing asbestos, and/or hazardous, toxic or dangerous waste.

18. **GOVERNING LAW**. This Deed of Trust is to be governed and construed in accordance with the laws of the State of North Carolina.

19. **SUCCESSORS AND ASSIGNS**. The covenants herein contained shall bind, and the benefits and advantages shall inure to the legal representatives, successors and assigns of the parties hereto.

IN TESTIMONY WHEREOF, Borrower(s)(s) has executed this instrument under seal on the date first above written.

BORROWER(S):

____(SEAL)

SEAL - STAMP

NORTH CAROLINA, ___Forsyth___ County:
I, ______________________________, a Notary Public of the County of _____________ and State aforesaid, certify that , Grantor(s), personally appeared before me this day and acknowledged the execution of the foregoing instrument. WITNESS my hand and official stamp or seal this _______ day of_____________, ***20___.***

____
Notary Public

My commission expires:___________________

The foregoing Certificate(s) of ____ is/are certified to be correct.

REGISTER OF DEEDS FOR __FORSYTH__ COUNTY

By ____
Deputy/Assistant - Register of Deeds

FORSYTH COUNTY HOME

AFFORDABLE HOME OWNERSHIP PROGRAM

PROMISSORY NOTE

DEFERRED PAYMENT LOAN

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH DATE:

"Property Address"

FOR VALUE RECEIVED, the undersigned (the "Borrower(s)"), jointly and severally, promises to pay to FORSYTH COUNTY (the "Lender") the amount of ____ ***Dollars ($_____________)*** (the "Principal Amount") with interest at the rate of Zero Percent (0%) per annum according to the terms herein, at the office of the Lender at 201 North Chestnut Street, Winston-Salem, North Carolina 27101, or at such other address designated from time to time in writing by the Lender.

1. **Loan**. This Note evidences a loan made by Lender to Borrower(s) under the HOME Investment Partnerships Act and is subject to the regulations issued thereunder (Title II, the Cranston-Gonzalez National Affordable Housing Act, Public Law No. 1010625, 104 Stat. 4079 (1990), 24 CFR Part 92) (the "HOME Program"). The loan is secured by a Deed of Trust (the "Deed of Trust") dated the same date as this Note, and which is a second lien on the property (the "Property") described in the Deed of Trust. The Trustee is **FREDERICK JOHNSON**. All terms of the Deed of trust are incorporated in this Note by reference, and any default under the Deed of Trust is a default under this Note.

2. **Amount Due**. The amount owed under this Note is the Principal Amount paid on behalf of the Borrower(s) by Lender in accordance with Rule 24 CFR Part 92 and the Lender regulations, together with any interest which accrues pursuant to Paragraph 6 below, as part of a special home ownership program.

3. **Assumptions**. The Note May be assumed only on the prior written approval of the Lender. Housing purchased with assistance from a HOME Program must remain affordable to assumers according to the provisions of 24 CFR 92.254. Any assumer of this Note much meet the low-income home buyer income limits, occupancy and any other applicable requirements of the HOME Program and the Lender. All terms and conditions of the Note and the Deed of Trust shall remain in effect for any successor to Borrower(s) and any successor shall assume all duties and obligations of the Borrower(s).

4. **Payment**. No monthly principal or interest payments are required. All unpaid Principal Amount of the loan shall only be due and payable on the earlier of the following dates (the "Due Date"):

   1. The date the Property is sold or transferred by the Borrower(s), whether voluntarily or involuntarily or by operation of law, other than to a qualified assumer under Paragraph 3; or

2. The date a default occurs under the terms of any loan secured by a lien to which the Deed of Trust is subordinated (the “First Loan”); or

3. The date the Property ceases to be the principal residence of the Borrower(s); or

4. The date the debt evidenced by the First Loan is refinanced; or unless the Lender agrees to subordinate this loan

5. The maturity date of **the first mortgage or *upon the sale of this residence***.

5. **Right to Prepay**. The Amount Due under this Note can be prepaid without any prepayment charge.

6. **Interest Payment**. Once the Principal Amount owed under this Note becomes due and payable pursuant to Paragraph 4, and is unpaid, the Borrower(s) will pay interest on such amount from the Due Date at the rate of ten percent (10%) per annum, until fully paid.

7. Default Remedies. On default, the Lender May employ an attorney and the Borrower(s) agrees to pay to the Lender all reasonable attorney fees plus all other reasonable expenses incurred by the Lender in exercising any of the Lender’s rights and remedies on default. The rights and remedies of the Lender as provided by law, by this Note, and by the Deed of Trust shall be cumulative and may be pursued singly, successively, or together. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies.

8. **Governing Law**. This Note is to be governed and construed in accordance with the laws of the State of North Carolina.

9. **Assignment**. The Borrower(s) consents to the assignment of this Note, transferring the Lender’s right, title and interest.

IN TESTIMONY WHEREOF, Borrower(s) has executed this instrument under seal on the date first above written.

BORROWER(S):

_________________________________(SEAL)

_________________________________(SEAL)

_________________________________(SEAL)

REQUEST FOR NOTICE

STATE OF NORTH CAROLINA
COUNTY OF____FORSYTH

In accordance with the provisions of G.S. 45-21.17A, request is hereby made that a copy of any Notice of Sale under the Deed of Trust (mortgage) recorded on ______________________, 20 in Book __________ at Page _______, Forsyth County Registry, North Carolina, executed by ____________________________________, as trustor (mortgagor) in which _____________________ is named as Beneficiary, and in which _________________ are named as Trustee, be mailed to:

County of Forsyth
Attn: Ashley Pendley, Deputy Director
201 N. Chestnut Street, 5TH Floor
Winston-Salem, NC 27101

This the _____ day of ___________, 20__.

__________________________, Attorney

STATE OF NORTH CAROLINA
COUNTY OF

I, __________________, the undersigned, a Notary Public of said County and State, do hereby certify that _________________________, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and notarial seal this the _______ day of __________, 20___

____
Notary Public

My Commission Expires: ____________

(SEAL)

FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM

DECLARATION OF DEED RESTRICTIONS

STATE OF
NORTH CAROLINA

COUNTY OF FORSYTH

THIS DECLARATION OF DEED RESTRICTIONS (the "Declaration") made and entered into this ____day of ______, ***20__***, by and between ______________ (the "Owner") for the benefit of and enforceable by ***FORSYTH COUNTY*** (the "Lender"):

WHEREAS, Owner is the owner of a certain tract of real property, more particular described as Exhibit "A" attached to Deed of Trust hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Lender has made a loan to Owner in the original principal amount of $____(the "Loan") evidenced by a Promissory Note dated , 20____ and secured by a Deed of Trust of even date with the Promissory Note;

WHEREAS, the Loan was made pursuant to a program (the "Program") and the regulations promulgated pursuant thereto (the "Program Regulations") as more fully described on the Rider #1 attached hereto and incorporated by reference herein; and

WHEREAS, as a condition of making the Loan to Owner, Lender has required, and Owner has agreed to restrict the Property as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby represents, covenants, warrants and agrees:

1. **Minimum Program Restrictions**. At all times during the term of this Declaration the Owner and the Project shall comply with all regulations affecting a recipient owner and a qualifying project pursuant to the Program Regulations, as the same may be amended from time to time including, but not limited to the following:

   The Project shall qualify as and shall be maintained as "affordable housing" as prescribed in the applicable Program Regulations (24 CFR §§ 92.254, 92.255) based on the Owner's application for Program assistance and shall be suitable for occupancy.

2. **Term**. This Declaration shall remain in full force and effect for a period of _**10**__ years from the date hereof (the "Period of Affordability"), provided however, that the Period of Affordability shall in no event be less than the required minimum period of affordability under the applicable Program Regulations (the "Period of

Affordability"). This Declaration shall automatically terminate in the event of transfer of title by foreclosure or by deed in lieu of foreclosure, or if pursuant to 24 CFR § 92.254(a)(5)(i)(A) assignment of an FHA insured mortgage to HUD, subject to automatic revival if, at any time during the remainder of the original Period of Affordability, the owner of record immediately prior to the termination event, or any entity that includes such former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or the Property. It is understood and agreed that the term of this Declaration may extend beyond the term of the Loan or may be terminated by the Lender upon full and satisfactory repayment of the Loan prior to the full term of the Declaration at the sole discretion of the Lender.

3. **Covenants to Run with the Land**. The covenants, reservations and restrictions set forth herein (i) shall be deemed covenants running with the land and, shall pass to and be binding upon Owner, the Owner's heirs, successors and assigns in title to the Property and all subsequent Owners or operators of the Project and (ii) are not merely personal covenants of the Owner. The benefits shall inure to the Lender and any present or prospective tenant of the Project during the term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of North Carolina to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the Property and which touch and concern the Property, shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, and that an equitable servitude in the form of a negative easement has been created to insure that these restrictions run with the land. Each and every contract, deed or other instrument hereinafter executed covering or conveying the Property or the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. If a portion or portions of the Project are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project. Provided nothing herein shall be deemed to constitute Lender's consent for the transfer, sale or conveyance of the property or any portion thereof.

4. **Compliance Monitoring**. The Owner agrees to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Lender to inspect any books and records of the Owner regarding the Project which pertain to compliance with this Agreement. The Owner shall submit any other information, documents or certifications requested by Lender which the Lender shall deem reasonably necessary to substantiate the Owner's continuing compliance with the Program, Program Regulations and this Agreement.

5. **Remedies; Enforceability**. The Owner and Lender acknowledge that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Owner with the Program, Program Regulations and additional Lender restrictions. AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING THE LOAN FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE

LENDER AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER THE PROGRAM (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO OBTAIN SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN ANY COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

The provisions hereof are imposed upon and made applicable to the Property and shall run with the land and shall be enforceable against Owner or any other person or entity that has or had an ownership interest in the Property at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach of violation hereof at any later time or times.

6. **Amendment**. This Declaration shall not be amended or, except as otherwise provided herein, terminated except by a written instrument, executed by the Lender and the Owner, or their successors and assigns, which amendment shall be duly recorded in the Office of the Register of Deeds for the county in which the Property is located.

7. **Severability**. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

8. **Construction**. Unless the context clearly requires otherwise, as used in this Declaration, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construe to include the plural number, and vice versa, when appropriate. This Declaration and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

9. **Headings**. The titles and headings of the sections of this Declaration have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof, nor be considered or given any effect in construing this Declaration or any provisions hereof, or in ascertaining intent if any question of intent shall arise.

10. **Governing Law**. This Declaration shall be governed by the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Owner has executed this Declaration on the date first above written.

OWNER: ____

(SEAL)

RIDER # 1 TO DECLARATION OF DEED RESTRICTIONS

FORSYTH COUNTY HOME
AFFORDABLE HOME OWNERSHIP PROGRAM

THE OWNER is the owner of a residence (the "Residence") located at:

Street: ____

City and County of: ______________________________________, FORSYTH

State of: NORTH CAROLINA

Owner understands that Forsyth County is assisting in the financing of the purchase of the above Residence with a second mortgage loan (the "Forsyth County HOME Loan"), made available by Federal funds (said Federal Funds hereinafter collectively referred to as the "HOME Funds"), provided through the provisions of the National Affordable Housing Act of 1990, HOME Investment Partnerships Program, and pursuant to the federal and Forsyth County rules and regulations promulgated thereunder herein said act, program, rules and regulations collectively referred to as the ("HOME Program"), which HOME Program is being administered by Forsyth County The Owner has received benefits from this financing such as down payment assistance and savings in mortgage loan interest costs. As a result, the Owner is subjecting the Residence to requirements during the Period of Affordability as described in the Declaration.

Such Residence is and shall remain a one-family Residence

Owner shall occupy such Residence as Owner's principal residence within 60 days after the date of this Declaration and for the entire Period of Affordability.

Owner will not use the Residence primarily in a trade or business and will not deduct any portion of the cost of the Residence as a home business expense on Owner's state or federal income tax return(s).

Owner will not rent the Residence or any part of the Residence, or use the Residence as an investment property or as a recreational or "second" home.

A LEASE OR RENTAL OF THE RESIDENCE TO ANOTHER MAY RESULT IN LEGAL PROCEEDINGS TO ENFORCE THE REQUIREMENTS OF THE HOME SECOND MORTGAGE; AND,

ANY TRANSFER OF TITLE TO OR POSSESSION OF THE RESIDENCE OR ANY PORTION THEREOF (EXCEPT AS PERMITTED BY FEDERAL LAW) WITHOUT THE PRIOR WRITTEN APPROVAL OF FORSYTH COUNTY, MAY RESULT [N LEGAL PROCEEDINGS TO ENFORCE THE REQUIREMENTS OF THE HOME SECOND MORTGAGE; AND,

A SALE OF THE PROPERTY OR A REFINANCING OF THE FIRST AND SECOND MORTGAGES WITH ANOTHER LENDER WITHIN THE PERIOD OF AFFORDABILITY DOES NOT TERMINATE THE PERIOD OF AFFORDABILITY.

RECAPTURE PROVISIONS. In the event Borrower(s) proposes (the "Proposal") to transfer the Residence (the "Sale") (other than pursuant to an approved Assumption, as defined in the Note), at a price that will not generate a sum (the "Net Proceeds"), after payment of the First Loan (as defined in the Note) and all costs of the Sale, which is sufficient to pay the Note in full. Forsyth County agrees to accept the Net Proceeds in full satisfaction of The Note. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect the fair market value of the Residence, Forsyth County shall have the right to demand that the Note be paid in full.

New Century IDA Program
Forsyth County Community & Economic Development
Homeownership Policies & Procedures

Participant Name: ______________________________
Class Wave: _________

LETTER OF AGREEMENT

This Letter of Agreement, between the ***New Century IDA*** Partnership ("the Partnership") and the IDA program participant listed at the bottom of this agreement ("the Participant"), details the responsibilities of both parties in connection with the New Century IDA program ("the Program").

New Century IDA Program Responsibilities

The *New Century IDA Partnership* agrees:

- To offer participants of the New Century IDA Economic Literacy Classes held by Experiment in Self-Reliance, Inc. with Financial Literacy and Asset-Building Education
- To offer Success Coaching and support while building savings, working on Action Plan provided by the Center for Homeownership and budgeting.
- To offer Homebuyer Education Workshop, Home Maintenance Workshop and 1-on-1 Consultation held by the Center for Homeownership.
- Ensure that eligible IDA participants have been referred for potential DSS TANF certification prior to Referral to Forsyth County Community & Economic Development.
- Once IDA participants have reached the required IDA Savings Goal, overcome any applicable credit barriers and attended ALL Economic Literacy Classes, the IDA participants that have graduated will be referred to Forsyth County Community & Economic Development.
- Forsyth County Community & Economic Development department will assist referred IDA graduates in obtaining first mortgage financing, will review the participants' eligibility and applicability for various subsidized financing programs; will assist in the preparation for loan closing; will attend the closing, and will provide other personalized asset acquisition services as needed.
- Experiment in Self-Reliance Inc. staff will provide IDA participants with the authorization necessary for the withdrawal of needed funds from their IDA savings account for pre-purchase costs upon adequate notice obtained at least 24 hours in advance.

New Century IDA Referred Participant Responsibilities

The *New Century IDA Participant* agrees to:

- Continue depositing funds into their IDA Savings Account
- Continue to maintain contact with their Success Coach throughout the homebuying process
- Continue paying all bills on time and NOT incur any unnecessary debt
- Follow through with contacting Forsyth County Community & Economic Development Housing Loan Officer upon obtaining referral from Success Coach
- Sign a Buyer Agency Agreement with a Real Estate Agent
- Search for homes withing the price range of affordability
- Notify the County's Loan Officer/Housing Counselor prior to making an Offer-to-Purchase

- Notify Experiment in Self-Reliance Inc. 24 hours in advance of withdrawing IDA savings for good faith deposit
- For IDA graduates that may be eligible for Housing Choice Voucher (Section 8) through ASPIRE, formally known as the Housing Authority of Winston-Salem, you must notify your Section 8 Caseworker that you are seeking homeownership. Contact information for the caseworker must be provided for County staff to assist through this process.

New Century IDA First Mortgage Requirements

- The IDA program strongly urges participants to use IDA approved first mortgage lenders. These are the mortgage companies that are knowledgeable regarding IDA first mortgage requirements and have quality experience working with IDA clients along the Federal, State, and Local programs.
- The IDA program requires the first mortgage to be a 30-year fixed mortgage at a fixed rate of interest. The terms should be reasonable and fully understood by the buyer. The loan terms should not have the potential of subjecting the buyer to payments that will become more than the buyer can financially afford.
- The lender cannot charge more than the SUM TOTAL of 4% for Origination Fee and Discount Points.
- Excessive or non-traditional fees will not be allowed.
- Housing Debt-to-Income should be no more than 33%
- Total Debt-to-Income should be no higher than 45%
- The interest rate should be competitive and similar to what other lenders would charge based on the credit of the participant.
- IDA funds can only be used for downpayment assistance, closing costs or pre-paid items. In some instances, the buyer may use the IDA funds for the purchase of appliance if they are included in the contract amount. The buyer cannot receive the funds/cash from closing.
- Participants are encouraged to seek out NCHFA Single-Family first mortgages when it is in their best interest.
- IDA participants are discouraged from purchasing credit life insurance on their first mortgage.

New Century IDA Real Estate Location, Type & Other Characteristics

- The home must be located in Forsyth County. It can be in or outside the city limits of Winston-Salem.
- The home may not exceed the Maximum Sales Price allowed by the United States Department of Housing & Urban Development (HUD).
- The home must be inspected by a North Carolina Licensed Home Inspector. The Forsyth County Community & Economic Development Department will work with the participant to determine the items that must be repaired by the seller prior to closing. If the home is not under a licensed termite bond, then it must be inspected for termites by a licensed Pest Control company. Radon inspections must also be performed. Homes built before 1978 must undergo additional inspection to ensure that there are no lead-based paint hazards present.
- The IDA participant may choose to purchase a NEW or EXISTING home. Single-family, approved condominiums, townhouses, new manufactured and new modular homes are allowed to be purchased by the IDA participant. Additionally, the IDA participant may choose to have a new home constructed; however, if the IDA buyer chooses to have a home built, only funds saved by the IDA buyer can be used for the Earnest Money Deposit.

CERTIFICATION

I have read and understand the contents of this agreement, and I agree to meet my responsibilities under it. I also understand that any violations of the above statements will result in Termination from the *New Century IDA* Program. I understand that nothing in this Participant Letter of Agreement holds any members of the *New Century IDA* Partnership liable for the success of any individual participant. I understand it is my responsibility as a *New Century IDA* Participant to meet the eligibility requirements of the local lenders to qualify for a first mortgage.

I further understand that if, for any reason, I withdraw from the IDA program or are terminated I will be INELIGIBLE for down payment assistance or subsidy from the programs with Forsyth County Community & Economic Development and the City of Winston-Salem Neighborhood Services Department for three (3) years from the date of the withdrawal or termination.

IDA PROGRAM CERTIFICATION

The above-mentioned client has satisfied all requirements of the New Century IDA Program and has completed the Home Buyer Education Seminar, Home Maintenance Workshop, and Consultation/Counseling with the Center for Homeownership.

______________________________ ______________________________
Signature of Participant *Date*

______________________________ ______________________________
Signature of IDA Success Coach *Date*

______________________________ ______________________________
Signature of IDA Program Director *Date*

PLEASE ATTACH A COPY OF ALL CERTIFICATIONS ALONG WITH OTHER DOCUMENTS NEEDED FOR A COMPLETE REFERRAL.

Lead-Based Paint Visual Assessment: Introduction

For Homes Constructed Before 1978

As a potential **purchaser** of a home constructed before **1978**, you must know:

1. The **seller must provide** all known records and documents of the presence of lead-based paint on the property. Any knowledge of lead-based paint hazards **MUST** be disclosed by the seller.
2. You are required, for your health, to review the EPA Pamphlet entitled *"Protect Your Family From Lead in Your Home"* which can be downloaded at: www.epa.gov/lead/protect-your-family-lead-your-home.
3. The seller must allow at least a **10-day period**, usually as part of the due diligence period, to conduct a lead-based paint visual assessment, inspection, or a full lead-based paint risk assessment to identify both the presence of lead-based paint and/or the location of lead-based paint hazards currently in the home.

A lead-based paint Visual Assessment examines the condition of the painted surfaces on the property. It must be conducted by a certified Visual Assessor who documents if there is evidence of deteriorated paint that exceeds the HUD de minimis (minimum) levels. The HUD de minimis levels are calculated differently for interior and exterior paint. A visual assessment does not determine the presence or absence of lead.

A **lead-based paint inspection** includes a visual assessment and provides a report of all the painted or glazed surfaces inside and outside the home and indicates which do and do not contain lead.

A **lead-based paint risk assessment** includes the elements of a lead-based paint inspection, but also includes soil and dust testing and the identification of frequently impacted friction surfaces like doors and windows that contain lead and will easily release lead dust during normal daily use.

IF you waive your right to order a lead-based paint inspection or lead-based paint risk assessment, a Visual Assessment MUST be conducted to examine the property for deteriorated paint. If the lead-based paint inspection or lead-based paint risk assessment shows there is no lead found on the property, then paint stabilization is not required.

Please note that a visual assessment will NOT identify the presence of lead, only the condition of the painted surface. Even if the visual assessment indicates that there are NO deteriorated painted surfaces, this does NOT mean that there is NOT lead in the paint. Painted surfaces must be carefully and safely maintained unless the property was inspected for the presence of lead and no lead was found OR documentation is provided showing that the lead was abated.

If evidence of deteriorated paint beyond the HUD de minimis levels is discovered, it MUST be stabilized before any down payment assistance is approved. If a contractor is used for the paint stabilization, the contractor must at be RRP or Renovation, Repair, and Painting certified. More information on RRP certification for contracting firms can be found at: https://epi.publichealth.nc.gov/lead/rrp.html.

After the deteriorated paint is stabilized and any dust or paint chips have been safely removed from the property, a lead-based paint clearance examination must be conducted by a certified lead professional in each worksite or area where the work was performed. If the deteriorated area did not exceed the HUD de minimis levels, no clearance examination is required.

A certified Lead-Based Paint Inspector or Risk Assessor can also conduct a Visual Assessment. A list of state certified lead-based paint inspectors, risk assessors, and lead professionals is maintained on the NCDHHS website at: https://schs.dph.ncdhhs.gov/lead/accredited.cfm.

Lead-Based Paint Acknowledgement Form For Homebuyers

For Homes Constructed Before 1978

(section below to be completed by the borrower and co-borrower)

Property Address:

Borrower:

Co-Borrower:

I acknowledge that I am aware of the requirements for a Visual Assessment to be conducted on the property listed above. I also acknowledge that if deteriorating paint is found above the HUD de minimis (minimum) levels, it must be stabilized before my down payment can be approved. Furthermore, I understand that after the paint is stabilized, the property must pass a lead-based clearance inspection to be eligible. Finally, I am also aware that a Visual Assessment does not reveal the presence of lead or any lead hazards. If I want to verify the presence of lead or lead hazards, I can order a lead-based paint inspection or risk assessment, which will provide details about the presence of lead and where lead hazards exist or are likely to occur based on normal behaviors in the home.

Borrower Signature: **Date:** / /

Co-Borrower Signature: **Date:** / /

Lead-Based Paint Visual Assessment Form

(To be completed by a Certified Inspector/Assessor)

Property Address: ____________________

Business Name: ____________________

Inspector/Assessor: ____________________

☐ Property has been tested and determined to not to contain lead-based paint (attach documentation)

☐ Property has had lead-based paint hazards abated/remediated (attach documentation)

☐ Property required a Visual Assessment (if not abated or tested and no lead found)

Visual Assessment Date: / /

☐ I have completed a visual assessment of the above property and there is **NO** evidence of deteriorated paint.

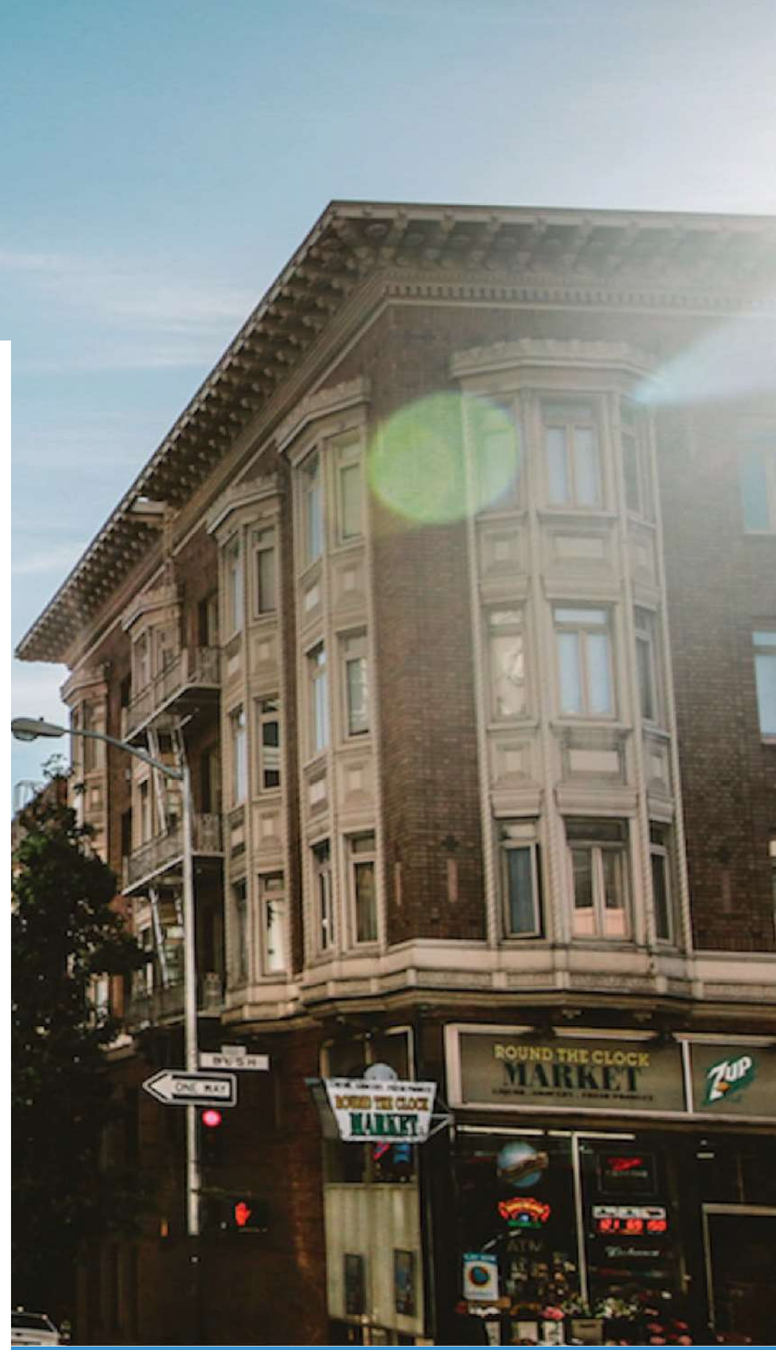
☐ I have completed a visual assessment of the above property and there is evidence of deteriorated
paint but the area(s) of deterioration does **NOT** exceed the HUD de minimis (minimum) levels.

☐ I have conducted a visual assessment of the above property and there is evidence of deteriorated
paint and the area(s) does **EXCEED** the HUD de minimis (minimum) levels.

Interior: Is there any peeling, chipping, chalking, or cracking paint? ☐ YES ☐ NO	**Interior:** Deterioration exceeds the HUD de minimis (minimum) level? ☐ YES ☐ NO ☐ NA
Exterior: Is there any peeling, chipping, chalking, or cracking paint? ☐ YES ☐ NO	**Exterior:** Deterioration exceeds the HUD de minimis (minimum) level? ☐ YES ☐ NO ☐ NA
Location(s) of Deteriorated Paint Exceeding the HUD de minimis (minimum) levels:	

Signature Inspector/Assessor: ____________________ **Date:** / /

*****_Attach copy of Inspector/Visual Assessor credentials_



Participant User Guide:

Forsyth County, NC Community Portal

LAST UPDATED: MAY 24, 2023

BENEVATE, INC.
DBA NEIGHBORLY SOFTWARE

Neighborly Software

Atlanta Tech Village
3423 Piedmont Road NE
Atlanta, GA 30305
www.NeighborlySoftware.com

Table of Contents

Accessing the Participant Portal

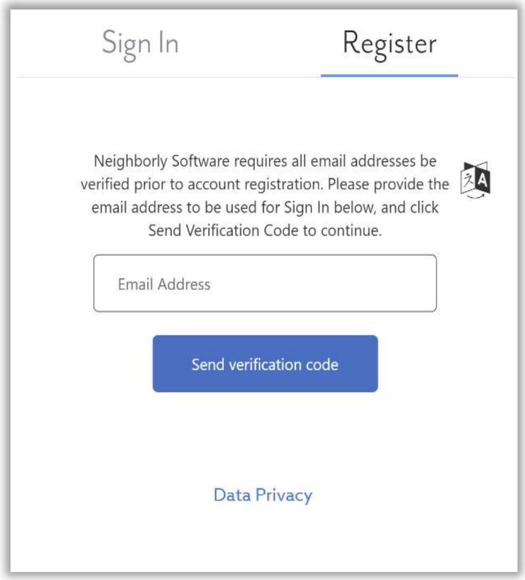
The Subrecipient Portal is hosted by Neighborly Software and is accessible available via any internet connected device. The recommended browser is Google Chrome but will work with any modern web browser.

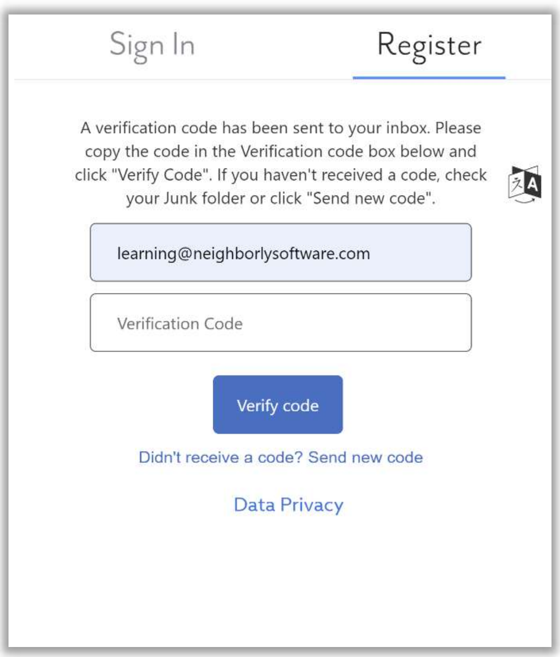
Participant Portal Link: https://portal.neighborlysoftware.com/forsythcountync/Participant

Registration

To access the system, you'll need to create an account by first registering your email address. Select the Register tab and enter your work email address. Select “Send verification code”. To verify your email address, the system will send you an email with a verification code.

Note: If you do not receive the email within 2 minutes, check your spam or junk mail folders. If the email is in either folder, mark the message as "Not Junk" or "Not Spam" to ensure you receive all future system notifications.





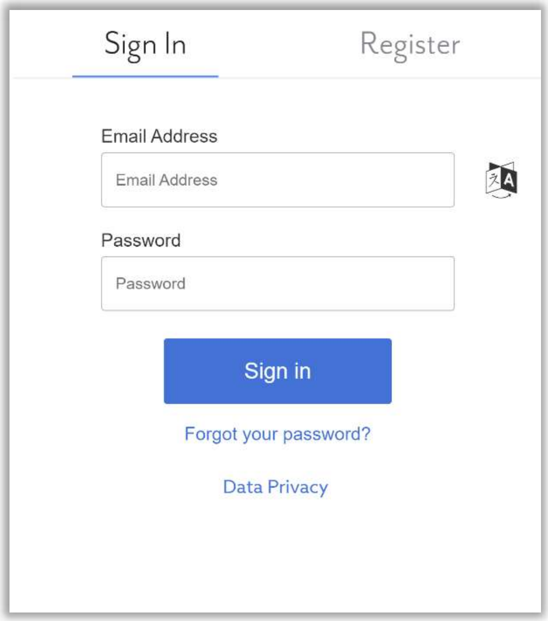
Enter the verification code into the text box and click "Verify Code."

If the code is not accepted, you may generate a new code by selecting "Send new code." Another email with a new code will be sent to your inbox.

After verifying your email address, you'll be prompted to create a password. Passwords should be at least 12 characters long and include at least one UPPERCASE letter, lowercase letter, a number, and a special character (!@#$%^).

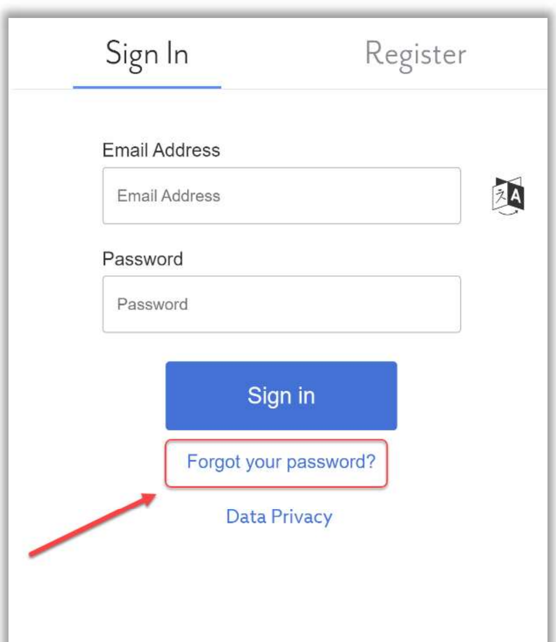
Signing In

Once your account has been registered, you may login (using the same link above) by entering the email address and password used during registration.



Password Reset

If you forget your password, select the link "Forgot your Password?" and follow the prompts to create a new password. Enter the email address that was used to register your account. Then select "Send Verification Code"

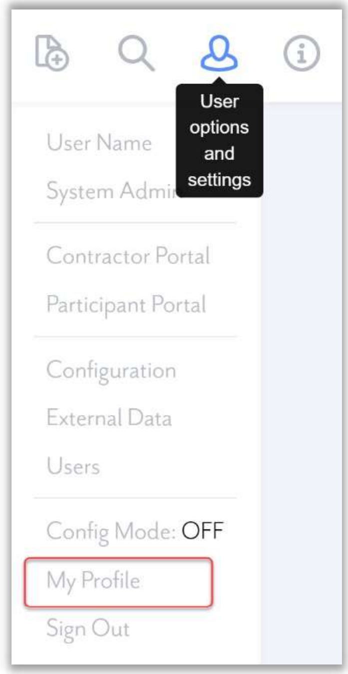


Within a few seconds, the system will send you an email containing a 6-digit code. Enter the code into the text field and select "Verify Code"

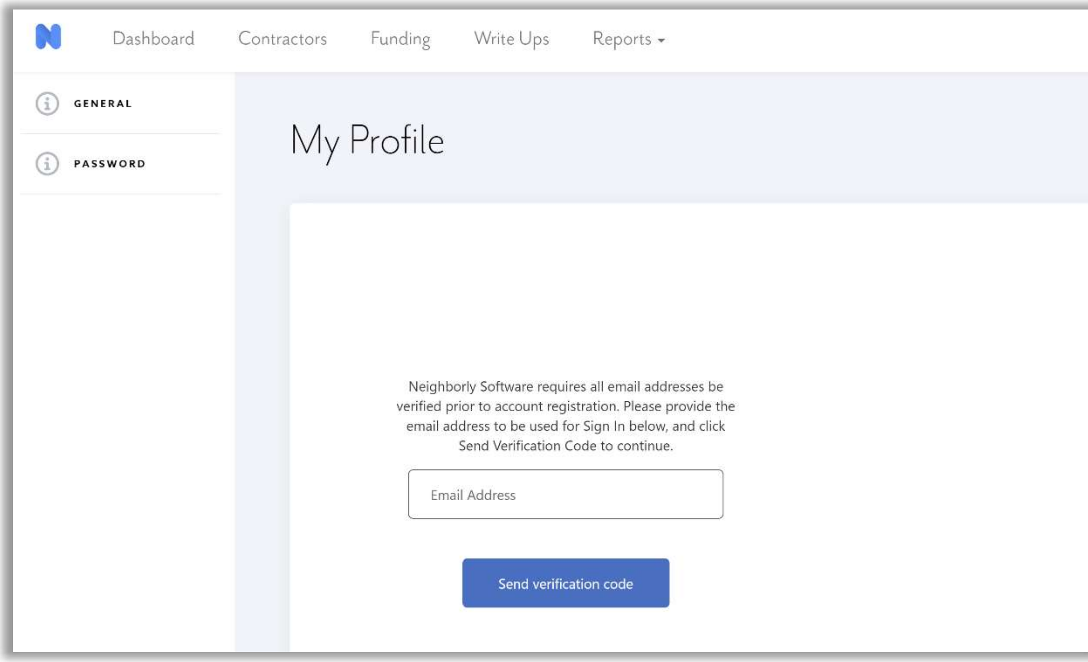
If after 2 minutes you have not received a code, you may repeat these steps to generate another code.

Be sure to check your spam and junk folders before requesting a new code. Sometimes users do not receive the code due to a simple typo when entering their email address. Verify that the email entered is indeed correct.

Changing your Password

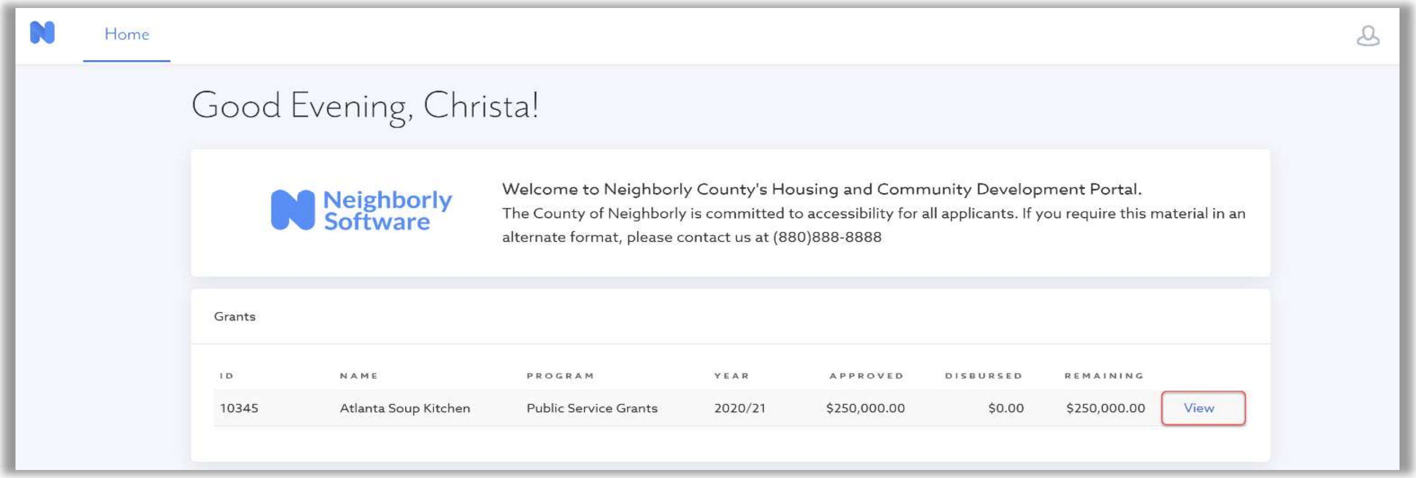


To change your password, log into the Participant Portal. Select the icon on the top right corner of the screen and select “My Profile”. Next, select the “Password” option on the left side of the screen. For security purposes, you will be required to enter your email address, the system will then send you a verification code. Enter the code and follow the prompts to create a new password.



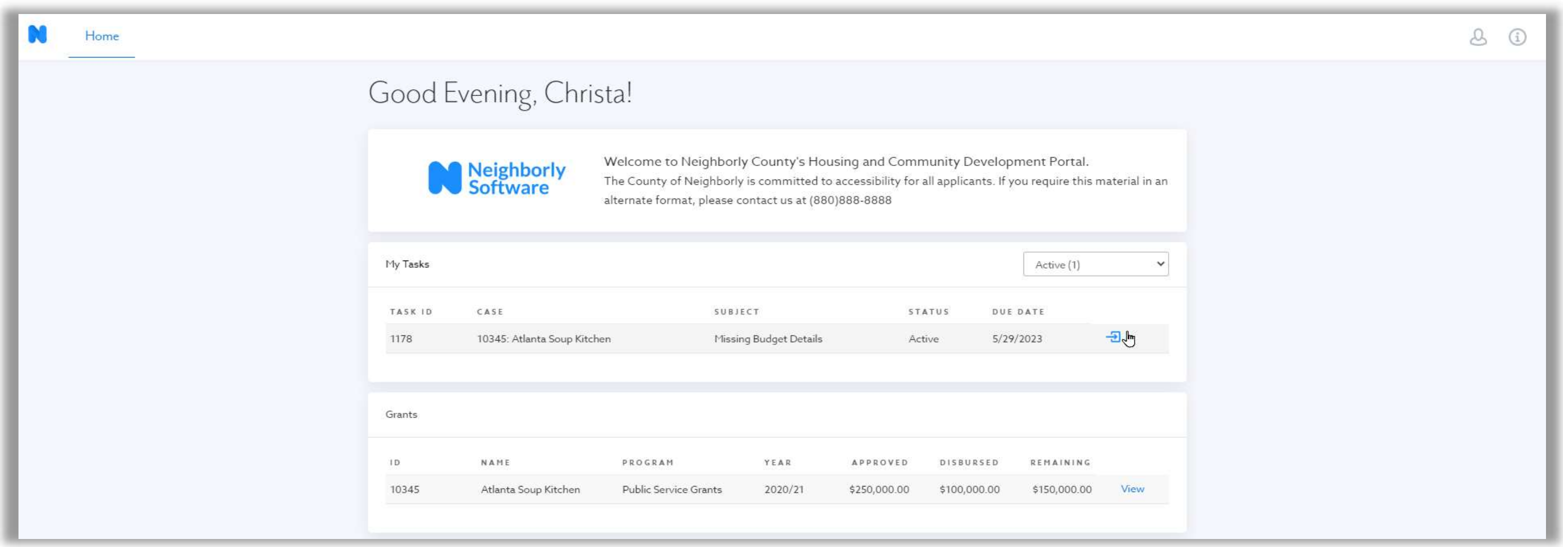
Starting a New Application

Upon logging in, the participant dashboard will become visible. Any case where funds have been awarded will be listed in the Grant card as shown below. To load the Grant Viewer, select “View” to load the grant account screen.

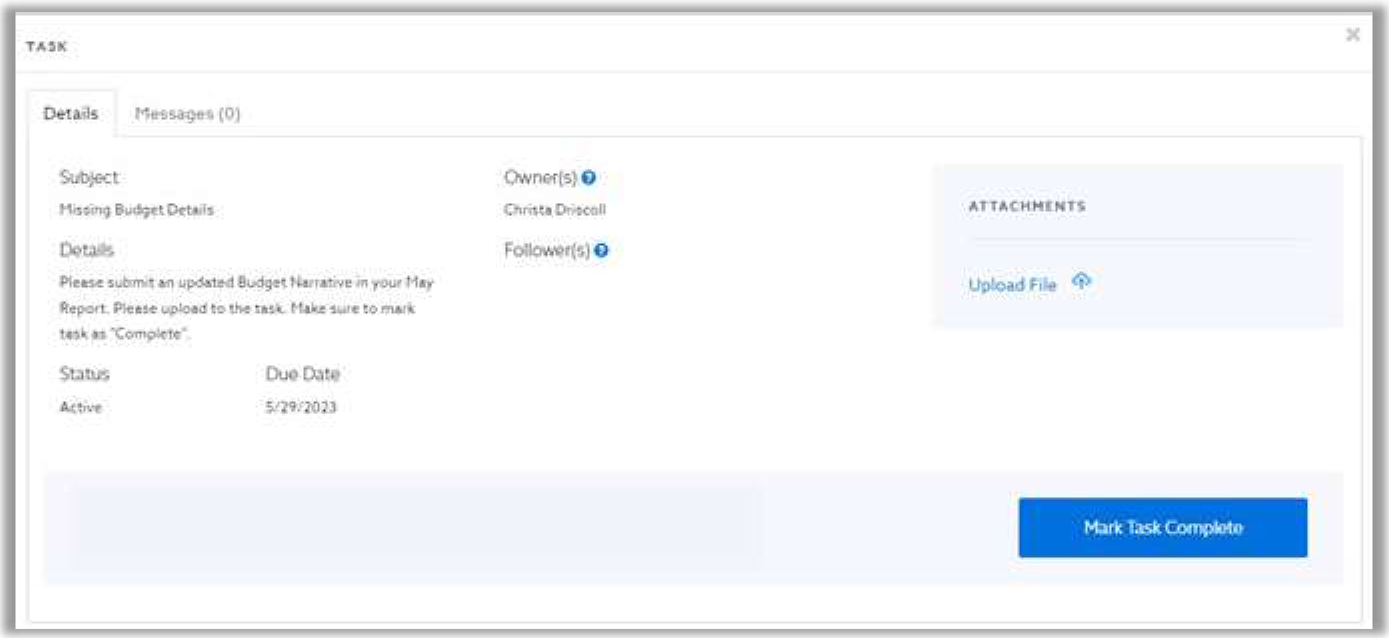


Tasks

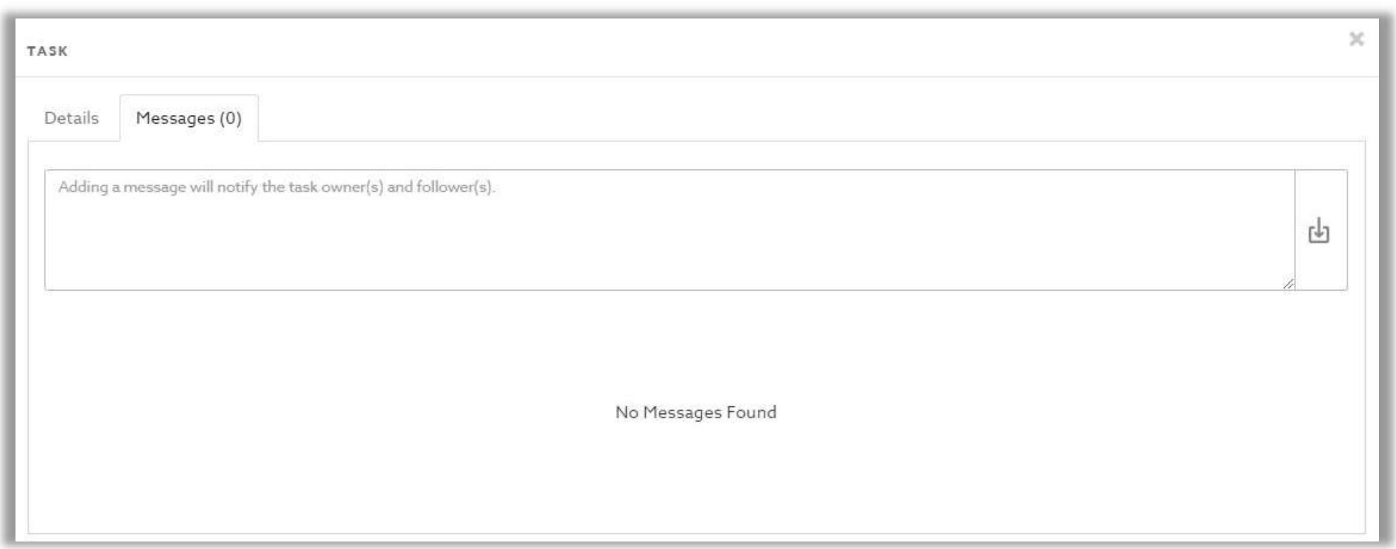
You may be assigned a task by a Program Administrator. Tasks will be displayed on the Portal Dashboard. To open a task, select the to the right of the task.



Once inside the task, view the details and complete the request. You may upload any supporting files by selecting the "Upload File" hyperlink.

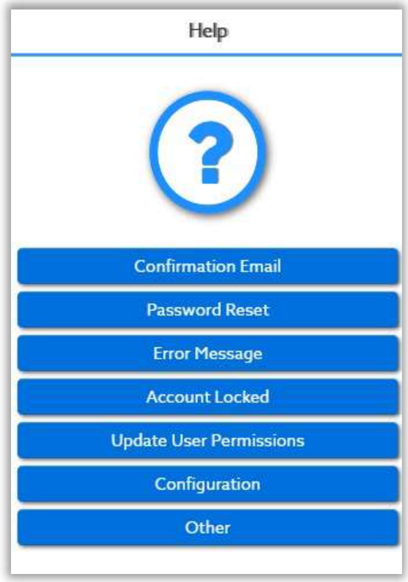


Additionally, if there are follow up questions regarding the task, you may send a message in the task to the Program Administrator who originally assigned the task. Select the Messages Tab, enter a detailed message in the text area, then select the icon to post the message. You will be notified via email once a response has been posted. Once the task has been completed, select the "Mark Task Complete" button.



Technical Difficulties

If at any point you run into technical difficulties with the software, use the help icon located in the bottom right corner of your screen to contact our Support Team. Support is available Monday – Friday from 8am to 7pm Eastern Time.



For all questions related to the application/program (eligibility, status updates, required documents etc.), please contact the Program Administrator directly. Contact information may be found on the portal dashboard or program overview section of the application.