

NCRA Homebuyer Assistance Program Lender Process Flowchart

1. The First-time Home Buyer (FTHB) completes an approved homebuyer training class. A list of class sites is posted on the County website at www.clackamas.us/cd/downpayment.jsp.
2. FTHB chooses an Oregon-licensed, FHA (Federal Housing Administration) approved lender and gets pre-qualified.
3. Clackamas County's Community Development Division (CDD) provides a complete packet of forms to interested lenders upon request. The CDD manages the North Clackamas Revitalization Area Homebuyer Assistance program through an agreement with the Clackamas County Development Agency.

NCRA Homebuyer Form Packet (emailed in PDF format):

- 01- NCRA Homebuyer Assistance Loan Application
 - 03- Addendum to Sales Agreement. (Environmental Review, Property Standards and Lead Hazard contingencies) *A fax of the signed original is acceptable.*
 - 05-Property Inspection Request. *CDD will not inspect until the 03-Addendum has been submitted.*
 - 07- Disclosure of Fair Market Value
 - 15-Acknowledgement of receipt of EPA Pamphlet
 - 16-Closing Notification
 - 19-Lead Based Paint Disclosure Form *(For pre-1978 houses only.)*
 - 20-Seller Certification *(For pre-1978 houses and only if lead work was done.)*
4. Lender and FTHB fill out an application for NCRA funds. Lender certifies that FTHB meets all NCRA borrower requirements, per guidelines.
 5. FTHB shops for home within price-range and selects potential house within the boundary of the North Clackamas Revitalization Area.
 6. Lender submits to CDD the following forms and supporting documentation to establish eligibility for NCRA funding:

NCRA Homebuyer Forms (completed and signed):

- 01-NCRA Homebuyer Assistance Loan Application
- NCRA Homebuyer Addenda (attached to sales agreement):
 - 03- Addendum to Sale Agreement. Environmental Review, Housing Quality Standards and Lead Hazard contingencies.
- 05-HQS Inspection Request
- 07-Disclosure of Fair Market Value
- 15-Acknowledgement of receipt of EPA Pamphlet

Supporting Documentation (copies):

- Certificate of completion of an approved homebuyer training class.
- Fully executed Purchase & Sale Agreement (Form 03 must be attached.)
- Earnest Money Receipt
- Lender's Commitment Letter
- Lender's Good Faith Estimate
- Lender's Uniform Residential Loan Application
- Verification of total household income from every source of income including:
 - a. Wages salaries, tips, commissions for every person over the age of 18, except for full-time students 18-25;
 - b. Self-employment income;
 - c. Interest, dividends, net rental income, or income from estates or trusts;
 - d. Social Security, Supplemental Security Income, public assistance;
 - e. Retirement, survivor, or disability pensions; and
 - f. Any other source of income received regularly, including child support, alimony, Veterans' (VA) payments and unemployment compensation.

Documentation needed to verify household income includes:

- i. Income Tax Return for Previous Year*
 - ii. Income Verification Documents (verification forms, pay stubs, assistance statements, etc.).*
 - iii. Employment Verification Form from employer(s)*
 - iv. Bank statement(s) from all accounts – must be recent and complete (all pages)*
- Verification of discharge of bankruptcy (if within 2 years) and foreclosure (if within 5 years). (If applicable.)
 - Title Company Information. Name and address of closing Title Company including the name of the contact, contact's phone and email.
7. Upon receipt of the NCRA Homebuyer application, CDD will:
- Within 3 working days – CDD sends information and disclosures required by RESPA and TILA to the applicant.
 - Within 5 working days – CDD reviews application and supporting documentation for compliance. Verifies income and establishes eligibility for NCRA funds. If Lender's Verification of Income (VOI) information is current, complete and acceptable CDD will use VOI from Lender. (Allow another two weeks if CDD has to verify income.)
8. Within 3 working days of receipt of 05-HQS Inspection Request:
- CDD or CCDA conducts an Environmental Review.
 - 04-Environmental Review.
 - 21-Visual Assessment Form
 - CDD conducts a Housing Quality Standards (HQS) inspection. If the house passes HQS, the purchase process continues. If the house fails:
 - FTHB shops for a different house; or

- Seller corrects the defects and the house is re-inspected (and passes) prior to closing.
 - 18-HQS Inspection Report.
- If the home was built before 1978, CDD also conducts a visual assessment. If deteriorated paint is found (such as peeling, chipping, chalking or cracking interior or exterior paint) the property is not eligible for purchase unless the deficiencies are corrected. The house must then be re-inspected and must pass the visual assessment prior to closing. If the house passes the visual assessment, the purchase process can continue. If the house fails:
 - FTHB shops for a different house; or
 - Seller may correct the defects using proper procedures listed on the Seller Certification Form. Seller must submit the Seller Certification Form, obtain a Clearance Report and Lead Hazard Reduction Notice from an Oregon licensed risk assessor documenting that the house passed clearance prior to closing.

See NCRA Guidelines for more requirements regarding homes built before 1978.

9. If the applicant is eligible and the home passes initial review/inspection, the County reserves funds and notifies Borrower and Lender.
 - 09-NCRA Loan Commitment (mail to borrower, fax to lender)
10. Lender schedules a closing date. Lender faxes closing notification form to CDD.
 - 16-Closing Notification
11. Lender submits the following documents to CDD two weeks prior to closing:

NCRA Forms (completed and signed):

- If necessary because of changes: a current and accurate NCRA Homebuyer calculation (revised Page 2 of application)
- If home was built before 1978:
 - 15-Acknowledgement of Receipt of EPA Pamphlet (if not already in the file)
 - 19-Lead Based Paint Disclosure Form (if not already in the file)
 - If applicable: 20-Sellercert-Lead Based Paint

Supporting Documentation:

- Copy of preliminary title report (*identify contact person from title company: name, address, phone number and email*)
- Appraisal Report
- Pest and Dry Rot clearance report (Borrower must order and pay for the P&D inspection)
- Insurance Binder naming the Clackamas County Development Agency, 150 Beaver Creek Road, Oregon City, OR 97045.
- If applicable: Clearance Report and Lead Hazard Reduction Notice from Risk Assessor

CDD will require a two-week review and approval period

12. **One day before closing:**

Title Company faxes to CDD a Preliminary HUD-1 or similar settlement statement.

13. At closing:

CDD sends the following documents to the Title Company:

- 06-Correction Agreement (to be signed at closing)
- 10-Trust Deed (to be signed at closing)
- 11-Promissory Note (to be signed at closing)
- NCRA loan Good Faith Estimate (final)
- NCRA loan Federal Truth-in-Lending Disclosure (final disclosure based on contract terms)
- NCRA loan Servicing Disclosure Statement (final)

CDD or the Development Agency provides the NCRA funds in the form of a check – NCRA funds cannot be wired. The check must be held until the documents listed below are returned to and approved by CDD or the Development Agency.

14. After closing:

Title Company sends to CDD:

- The Final HUD-1 or similar settlement statement
- Original signed:
 - 06-Correction Agreement
 - 11-Promissory Note
 - NCRA loan Good Faith Estimate
 - NCRA loan Federal Truth-in-Lending Disclosure
 - NCRA loan Servicing Disclosure Statement
- Copy of signed:
 - 10-Trust Deed

CDD or Development Agency notifies Title Company that NCRA check can be cashed.

15. Annual monitoring. CDD will obtain certification of primary residence from the homeowner each year throughout the ten-year lien.