

**SPOKANE INDIAN HOUSING AUTHORITY
DOWN PAYMENT ASSISTANCE PROGRAM**

Policy and Procedures

This program offered by the Spokane Indian Housing Authority provides interest-free loans (down payment assistance), forgivable over a 10-year period, to assist homebuyers with the purchase or construction of a single family home in standard condition, located on or to be located on the Spokane Indian Reservation.

1. ELIGIBILITY REQUIREMENTS

Down Payment Assistance may be awarded and applied toward the purchase or construction of a primary residence under the following conditions:

A. Applicant Eligibility Requirements:

1. Preference will be given to members of the Spokane Tribe of Indians.
2. The applicant must meet the eligibility guidelines of the Admissions and Occupancy policy of the SIHA. Even though the income of one or more family members may not have been included in securing any mortgage or other financing for purchase or construction of the home, the income of all family members must be included in determining program eligibility as required under SIHA policy.
3. The applicant must not have any past due unpaid debts owed to the Spokane Indian Housing Authority.
4. Applicants may be required to participate in an SIHA-sponsored or approved homebuyer education program prior to the award of down payment assistance to obtain information about the homebuying process and homeownership responsibilities.
5. Applicants must qualify for a mortgage from a mortgage company or financial institution to finance a home on the Spokane Indian Reservation for the balance of the cost of the home, less the amount received for down payment, including any amount contributed by the applicant. Spokane Tribal Credit is an eligible mortgage institution. Applicants may also qualify for owner-financing in the event of private sales, subject to the provisions of this policy relating to private sales.

B. Eligible Homes:

1. The dwelling must be located within the boundaries of the Spokane Indian Reservation.
2. The dwelling must be a site-built home, a modular home, or a manufactured home (see definitions).
3. If the dwelling is affixed or to be affixed or becomes affixed to land that is held in trust, the homebuyer must secure a 25-year mortgageable lease or sub-lease, assignable to another qualified homebuyer chosen by the SIHA in the event of foreclosure.
4. If the dwelling is a new manufactured home, it must meet all State and local construction and placement specifications.
5. If the dwelling is a pre-owned manufactured home, it must be no more than ten (10) years old, and meet the requirements of "Item 4" above.
6. Manufactured housing for which title has been issued but has not been eliminated pursuant to the provisions Chapter 65.20 RCW may be:
 - a. placed on land owned by the applicant; or
 - b. purchased as a package with land; or
 - c. placed on land with a long-term lease; or
 - d. placed in a mobile/manufactured home park with a long-term lease.
7. The property must be legally zoned or approved by Tribal Council for residential use.

C. Ineligible Properties:

Ineligible properties include, but are not limited to: vacant land, fixer-uppers, rental or commercial property, single-wide manufactured homes, travel trailers, recreational vehicles, and homes currently under management or in inventory of the SIHA.

D. Environmental Review Requirements:

The purchase, lease or use of any property on which any home assisted under this policy is located or is to be located must first meet all HUD Environmental Review requirements. Tentative approvals for use of down payment program funds can be issued, with the stipulation that the property will first meet all environmental review requirements. No funds will be issued until sign-off is completed by SIHA management and a record of such review is in the applicant file.

2. TERMS AND CONDITIONS

- A. For applicants whose family income is at 80% or less of the median income, as defined in the Admissions and Occupancy of the SIHA, the amount of down payment assistance available is 30 percent of the purchase price or construction cost of the home, up to \$10,000 for families who have been previously served by the SIHA in a homebuyer capacity, and up to \$20,000 for families who have not been previously served in a homebuyer capacity. For applicants whose family income is greater than 80% of the median income up to 100% of the median income, the amount of down payment assistance shall be adjusted as set forth in the Admissions and Occupancy policy of the SIHA.
- B. The down payment assistance must be used within three months of approval for program participation; (i.e., a purchase commitment must be secured within three (3) months), or it will be forfeited to the next eligible applicant on the waiting list and the original applicant will have the option to be removed from or placed at the end of the waiting list. In the event a purchase commitment cannot be secured within the three-month period for reasons outside of the control of the applicant, a time extension may be granted at the discretion of the Executive Director of the SIHA, based upon the circumstances.
- C. All previously owned homes must have an appraisal from a licensed appraiser completed within six months of application for down payment assistance. Appraisals for homes located on trust land must only include the value of the leasehold interest in the appraisal and not the value of the land on which the home is located or is to be located.
- E. The following additional conditions apply to all transactions:
 - 1. The home must receive a total home inspection, at the applicant's expense, by a qualified independent property inspector approved by the SIHA; and

2. The home must be determined to be a "home in standard condition" by the SIHA; and
 3. The services of a qualified attorney must be utilized to insure proper recording of sale, payments are made according to agreements, a title search is conducted, etc., and
- F. The applicant must agree to maintain the dwelling as their primary place of residence for a ten-year period from the date of receipt of down payment assistance and must agree that the home will not be sold otherwise conveyed during that 10-year period. If the applicant fails to maintain the dwelling as their primary residence for this period of time or if the home is sold or otherwise conveyed during this period of time, the applicant must repay the amount of down payment assistance provided by the SIHA in accordance with the following schedule:
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| Before or within one (1) year of the date of assistance | 100% |
| Within two (2) years of the date of assistance | 90% |
| Within three (3) years of the date of assistance | 80% |
| Within four (4) years of the date of assistance | 70% |
| Within five (5) years of the date of assistance | 60% |
| Within six (6) years of the date of assistance | 50% |
| Within seven (7) years of the date of assistance | 40% |
| Within eight (8) years of the date of assistance | 30% |
| Within nine (9) years of the date of assistance | 20% |
| Within ten (10) years of the date of assistance | 10% |
| After ten (10) years of the date of assistance | 0% |
- G. The applicant must agree to maintain homeowner's insurance on the dwelling, naming the Spokane Indian Housing Authority as a loss payee up to the full amount of down payment assistance provided. Insurance certificates must be provided to the SIHA.
- H. Down payment assistance funds are to be paid only to the Title Company or appropriate third party Closing Agent at the time of closing.
- I. If the applicant has fulfilled all of the requirements of this policy, all of the requirements set forth in any security documents (leasehold mortgage, etc.), maintains the home as their principal residence for the required 10-year period and the home is not sold or otherwise conveyed during that period, the full amount of the down payment assistance will be forgiven.

3. SECURITY

The following shall be required to secure the obligations due to the SIHA under this policy:

- A. For manufactured housing for which title has been issued but has not eliminated pursuant to the provisions Chapter 65.20 RCW or comparable title law, the SIHA shall be named as legal owner on the certificate of ownership; i.e., title. The homebuyer shall also execute a retail installment contract, in form required by the SIHA. A copy of the required form of retail installment contract shall be attached hereto for informational purposes¹ as Attachment A. Title to manufactured housing may only be eliminated pursuant to the provisions of Chapter 65.20 RCW, or comparable tribal law, if the homebuyers give the appropriate form of security set out in B. or C. below.
- B. For any other dwelling which is located on trust land, the homebuyer shall execute a leasehold mortgage, in form required by the SIHA, and shall also execute a promissory note in form required by the SIHA. A copy of the required form of leasehold mortgage shall be attached hereto for informational purposes as Attachment B. A copy of the required form of promissory note shall be attached hereto informational purposes as Attachment C.

4. DEFINITIONS OF TERMINOLOGY

SIHA – Spokane Indian Housing Authority.

Primary Residence -- The residence at which the homebuyer lives twelve months per year, less time taken for medical reasons while away for treatment; time served in the military; absences for bona fide educational and employment purposes; and periodic absences for vacations, etc.

Home in Standard Condition -- A home that is considered to be in decent, safe and sanitary condition, as determined by the SIHA, and meets applicable codes for fire and life safety.

¹ It is the intention of this policy, that the forms required to be executed under this policy be selected by staff and management of the SIHA, subject to approval of legal counsel for the SIHA or the Spokane Tribe of Indians, and updated as necessary, without further action by the Board of Commissioners.

Manufactured Home -- "Manufactured Home" means a structure, designed and constructed to be transportable in one or more sections, and is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities that include plumbing, heating, and electrical systems contained therein. The structure must comply with the National Mobile Home Construction and Safety Standards Act of 1974 (42 USC Chapter 70). "Manufactured home" does not include a "modular home."

Modular Home -- "Modular home" means a factory-assembled structure designed primarily for use as a dwelling when connected to the required utilities that include plumbing, heating, and electrical systems contained therein, does not contain its own running gear, and must be mounted on a permanent foundation. A modular home does not include a manufactured home.

Previously Served – individual or family who has been served as a homebuyer under any of the homebuyer programs offered by the housing authority.

Amended and Adopted by the Board of Commissioners on September 28, 2006,
And further Amended and Adopted by the Board of Commissioners on January 25, 2007.


Executive Director