



**PURCHASE/REHAB PROGRAM
PASCO COUNTY
COMMUNITY DEVELOPMENT DIVISION**

Pasco County wants you to obtain the American dream of home ownership. The Board of County Commissioners has made available funds to help you buy a house that made need repairs to make the home livable.

Who is eligible for this program?

Applicants who make less than 120% of the median income for the Tampa Bay area may apply for assistance. This is adjusted for family size. Currently, this is as follows:

Household Size		1	2	3	4	5	6
MOD	Hourly	\$ 22.85	\$ 26.08	\$ 29.37	\$ 32.60	\$ 35.19	\$ 37.79
	Monthly	\$ 3,960.00	\$ 4,520.00	\$ 5,090.00	\$ 5,650.00	\$ 6,100.00	\$ 6,550.00
INCOME	Annually	\$ 47,520.00	\$ 54,240.00	\$ 61,080.00	\$ 67,800.00	\$ 73,200.00	\$ 78,600.00

You do not have to be a first-time homebuyer to participate in this program, nor a current Pasco County resident.

What kind of home can I buy?

Any type of home is eligible for this program, except for mobile homes. Condominiums and town houses are also eligible. Properties may be purchased anywhere within the County and all of its cities. The maximum after-rehab value of the property cannot exceed \$240,000.

How do I apply for assistance?

In order to apply for assistance, you must apply through one of the partner financial institutions that have signed agreements with the County. When you apply for a mortgage loan at one of these lenders, you need to let them know that you are interested in the Purchase/Rehab Program, and they will make an initial determination on whether you need our assistance and are eligible for the funds. If you do, they will reserve funds in your name with the Community Development Division. You do not apply through the County for these funds.

What kind of repairs can be done?

Once the bank reserves funds for you, a Housing Specialist from our department will come to the property and perform an inspection of what is needed. Among eligible repairs that can be done include: creating additional living space; correcting substantial code violations, such as bad roofs and ceilings; upgrading electrical, heating sewer or water facilities; and making handicapped modifications. Working with you, the Housing Specialist will complete a work write up and rehabilitation specifications. If it is necessary, the County’s consulting architect will complete the work write-up for items that may need an architectural seal on the plans.

What are the terms and rules of the loans?

The bank will use the estimated amount of the repairs in after-rehab appraisal of your house. The maximum debt on your property cannot exceed 110% of the value of your house.

Do I have to pay these Pasco County funds back?

The funds that come from Pasco County will be in the form of a 0% loan. They will have to be paid back to the County. The funds that are paid back will help other families buy homes in the future. The term of the payback is variable depending on your ability to pay. You will have a term of up to 30 years to pay off your loan. If you cannot afford to pay back the loan immediately, the loan will be deferred for five

years. At the end of that time you will start making payments, at the following schedule:

<u>Loan Amount</u>	<u>Term of Loan</u>	<u>Maximum Payment</u>
\$0 - \$5,000	10 years	\$41.67 per month
\$5,001 - \$10,000	15 years	\$55.56 per month
\$10,001 - \$15,000	20 years	\$62.50 per month
\$15,001 - \$20,000	25 years	\$66.67 per month

This only applies to deferred loans. Homebuyers that can immediately make payments may have a higher amount. Under no case can a payment be less than \$25 per month. You will know before you close what your payments will be and when you will begin to make them. Additionally, these funds are meant to increase the amount of home ownership in Pasco County. If the property is rented or vacated, the loan is due.

This is a program for homeownership. Pasco County is giving you a large subsidy, because we know that neighborhoods with high homeownership rates generally have people that take care of their property, look after each other's kids, and have less crime. For you to sell the property quickly and receive a large payday is not the intent of the program.

If you sell or transfer your property within the first five years of ownership, there will be a shared equity penalty. This means that a portion of the appreciated sales price will be shared with the County, in addition to the principal balance that you owe. For the first three years that percentage is 50%; for years 4 and 5 it is 25%. Appreciation is defined as the gain a homebuyer receives from the sale of the home, less any reasonable title and real estate costs. The cost of home improvements completed with building permits also shall be deducted from this amount. Under no conditions shall this penalty be more than twice the amount of the original County loan. The shared equity penalty takes effect January 1, 2006. As part of the condition of receiving assistance from the Pasco County, you will be required to go through individual homeownership counseling with Consumer Credit Counseling Service.

What happens at and after closing?

At closing, you will sign two loans: one with your financial institution and one with the County based on the estimated amount of the rehabilitation. Immediately after closing, the process of contractor selection shall begin. If you have a contractor in mind, and his bid is within ten percent of the County's estimate, you may select him. If you do not have a contractor in mind, we will bid out the project on your behalf to a list of over 30 contractors that are on the County's contractor list.

An open house will be held at your property, giving the contractors the opportunity to take a look at your home. Bids are submitted to the County, and you may select any contractor within 10% of the County's estimate.

What happens during construction?

After you select a contractor, you will sign a contract with him. Depending on the size of the job, it may take up to 90 days to complete, but usually it does not take longer than 45 days. Both you and the County must approve all payments to the contractor. This is in addition to the City or County building inspectors. At final payment, the contractor obtains a release of lien from all subcontractors and delivers all material warranties. The contractor warrants all work that he has done for one year from final inspection.

For further information contact the Community Development Division at (727) 834-3445 in New Port Richey; (352) 521-4274, ext. 3445 in Dade City; and (813) 996-7341, ext. 3445 in Land O'Lakes or visit our web site at: www.pascocountyfl.net/menu/index/cdevindex.htm