

Attachment D

**Housing and Community
Development Department**

Ronald S. Cortez
Interim Director

Mailing Address:
105 E. Anapamu Street, Room 3
Santa Barbara, CA 93101-2062



Housing Finance Division

Patricia Gabel
Housing Finance Division Manager

Telephone: (805) 568-3520
Telecopier: (805) 560-1091

**Homebuyer Assistance Program
Standard Operating Procedures**



SUMMARY

The Homebuyer Assistance Program (HAP) is a down payment assistance program for first time low income homebuyers. The program is only for Northern Santa Barbara County and the Cities of Lompoc and Santa Maria.

PROCEDURES:

1. The HAP is marketed throughout the Santa Maria and Lompoc Housing Market Areas:
 - a. Advertised through City of Santa Maria and Lompoc public access television;
 - b. HAP English and Spanish brochures are posted on County website;
 - c. HAP English and Spanish brochures are available at participating cities, north county 4th and 5th district offices, participating bank and title company; and
 - d. Presentations about the HAP program made to Santa Maria Valley and Lompoc Housing Market Area real estate association meetings.
2. Prepare an interest list with name, email address and phone number.
3. Three months prior to the next anticipated HAP seminar, schedule a date with Consumer Credit Counseling Services, Los Padres Savings Bank and First American Title Company.
4. Prepare brochures to mail out with date of next seminar.
5. One month prior to the seminar, begin intake of reservations.
6. Conduct seminar specifically detailing the parameters of the program. Contents of the seminar include
 - a. How to improve your credit
 - b. Reduce Debt
 - c. The Loan approval process

- d. Escrow process
 - e. Finding a house
 - f. Details of the County Program
7. Within one week of the seminar, send out certificates to all persons who attended the entire seminar.
8. Once applications are received, each application will be process within five business days.
 - a. If complete and eligible per income calculation worksheet, sign worksheet and submit to manager for review and approval signature; then mail approval letter to applicant with a fax of the letter to Los Padres
 - b. If incomplete, mail letter requesting additional information
 - c. If complete and ineligible per income calculation worksheet, sign worksheet and submit to manager for review and approval signature; send ineligibility letter to applicant with a cc to the Manager of Housing Finance.
9. Loans will be made as funds are available on a first-ready (trained, approved loan, and signed purchase contract), first-served basis. The County does not make the determination of who is served first. A participant's selection to be served is based upon the timing of their qualification for the program through Los Padres Bank and entering into a purchase escrow with First American Title Company.
10. When available funds for HAP loans fall below three maximum HAP loans, HCD notifies Los Padres Savings Bank. All program participants who have prequalified through the bank are notified that the funds are limited and reminded of the first ready, first served policy. Bank representatives notify each new HAP applicant submitting an application to the bank of the shortage of funds and reminded of the first ready, first served policy.
11. No further HCD loan processing activity is required until a homebuyer selects a home and opens escrow. Once escrow opens, the HCD receives copy request for instructions and the following activities are completed:
 - a. Verify bank review of income and homebuyer eligibility by phone
 - b. Arrange HQS/Code inspection prior to close escrow. Must past inspection or escrow cannot close
 - c. Prepare the following documents:
 - i. Internal Loan Approval based upon bank approval countersigned by Housing Finance Manager
 - ii. Environmental Clearance
 - iii. Escrow Instructions with countersign by the Escrow officer
12. Escrow officer receives all purchase documents from Real Estate agent, HAP application and loan documents from Los Padres Bank and approval verification

inspection from County or Housing Authority. Escrow officer verifies all requirements are received and requests HAP funds.

13. HCD staff receives countersigned escrow instructions from escrow officer, draws funds from HUD and releases into escrow. Escrow closes and forwards all executed documents to HCD.
14. Desk review to ensure all final documents are included in file and close of file.
15. On an annual basis, owner occupancy self certifications will be sent out to all homeowners. The envelope shall say "Do Not Forward"
 - a. If signed and sent back, placed in their folder
 - b. If not received within the designated return date, a second notice is sent out.
 - c. If second notice is not received, a site inspection is required.