



## COMMUNITY DEVELOPMENT DIVISION

### First Time Home Buyer Program – Realtor & Lender Information

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**Verify Approval:** If your client states they have been approved for the City's First Time Home Buyer (FTHB) program, please verify approval with City staff as soon as possible. Many applicants think attending the homebuyer education class completes an application for City assistance. They often do not realize a separate application must be completed and submitted to the Community Development Division.

**Preliminary Approval:** If a prospective homebuyer gives you a City application, do not assume the application has also been submitted to the City. If the applicant has been preliminarily approved for the program, they will have received a preliminary approval letter from Community Development. If you need a copy of the letter, staff can fax or email it to you upon request.

**Timely Submission:** Funds are committed on a first-come, first-served basis. Timely application submission is critical, as funds can run out very quickly. Staff needs to have time to process the application, garner third-party income verifications, and perform calculations to qualify a household as income-eligible. Staff needs to begin processing an application long before a Buy-Sell Agreement is signed. **It can take up to four weeks to complete the application process to get a check issued for a closing.**

**Lead-Based Paint:** Homes built prior to 1978 that have chipping and / or peeling paint are not eligible for the program.

The FTHB process is as follows:

1. **Application:** An applicant submits a completed application, with accompanying income documentation, to the Community Development Division. Staff must also verify income through employers, benefit providers, etc.
2. **Preliminary Approval Letter:** After all documentation/verification is received, applicant is given a preliminary approval letter outlining next steps.
3. **Homebuyer Education:** Applicants are required to attend a homebuyer education workshop. City staff needs a copy of the Certificate of Completion.
4. **Buy-Sell Agreement:** The signed Buy-Sell Agreement should be made contingent obtaining appropriate financing and assistance through the City's First Time Home Buyer program.
5. **Good Faith Estimates & PITI:** City staff must also receive all Good Faith Estimates and review for compliance with maximum purchase price requirements. Estimates with PITI over 42 percent will be denied.
6. **Assistance Set-Aside:** After City staff have received the Certificate of Completion for homebuyer education, a signed Buy-Sell Agreement, and a qualifying Good Faith Estimate, funds may be set aside for the applicant. A final approval letter will be mailed to the applicant to confirm.
7. **Inspection:** City staff needs to know who to contact to set up an on-site inspection of the property. Repair issues identified will have to be remedied and re-inspected.
8. **Closing Date & Title Company:** City staff needs to know the closing date and title company involved with the transaction. City funds are made payable to the title company and the legal documents are sent directly to them with the check.
9. **Title Commitment & Appraisal:** A copy of the title commitment and appraisal will need to be sent to the City as soon as possible. If repair issues are identified in the appraisal, issues will need to be remedied and the City must have the final inspection from the appraiser.
10. **Voluntary Agreement:** The seller must sign and return (to the City) a Voluntary Agreement authorizing the sale 7 to 10 days prior to closing.
11. **Check Request:** Please keep in mind, it takes 10 business days from the time a check request is made to get the check from the City's Finance department. **The City's Finance Department does not expedite check procedures for any reason.**
12. **Documents & Closing:** Check & loan documents are picked up by the title company and the loan is closed.