



**OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
DEVELOP LOUISVILLE
LOUISVILLE, KENTUCKY**

**GREG FISCHER
MAYOR**

**VIRGINIA PECK
DIRECTOR**

Dear Applicant:

Thank you for your interest in the Shawnee and Portland Homeownership Incentive Program (SPIP)! This is an exciting opportunity to move into a neighborhood rich with history, wonderful housing stock, and neighborly people. Louisville Metro Government is placing a priority in incentivizing homeownership in an effort to further stabilize the Shawnee and Portland Neighborhoods. Exciting things are happening in the neighborhoods and we are looking forward to you being a part of it!

Incentives are being offered for individuals and families looking to move into the SPIP area. If you meet the following criteria, this program is for you!

- Be interested in being a homeowner and residing in the Shawnee or Portland Homeownership Incentive Area (see map attached)
- Be committed to keeping the home as your primary residence for five years
- Be excited about making up to \$24,999 in improvements to your home
- Be willing to complete homeownership counseling, if a first-time homebuyer
- Be willing to conduct a lead and asbestos inspection on the property if it was built prior to 1978. We can help provide contact information of qualified companies.

Louisville Metro Government is committed to creating an easy process for you to participate in the program. To get started, please read and complete the attached application packet. We are always available for questions or to help you through the process. Please know that we will move forward as quickly as possible on the processing of applications. We expect this process to take between 4-6 weeks from application to completion of the work on your new home, but there are many variables in the homeownership process that we do not control. We are committed to continued communication with you as we move through this process together and you will always know where you stand with us. Please ensure that your realtor is aware that you are applying for SPIP funding and that your sales contract will accommodate this timeframe.

We are looking forward to working with you!

Sincerely,

Christina Maddox, Housing Program Specialist – Christina.Maddox@louisvilleky.gov – 574-6030
Laura Grabowski, Assistant Director – laura.grabowski@louisvilleky.gov – 574-7308
Virginia Peck, Director, Director – Virginia.peck@louisvilleky.gov – 574-3330



LOUISVILLE FORWARD

www.louisvilleky.gov

HOUSING & COMMUNITY DEVELOPMENT 810 BARRETT AVENUE, LOUISVILLE, KENTUCKY 40204 502.574.5850 FAX 502. 574.6554

SHAWNEE AND PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM DOCUMENT CHECKLIST

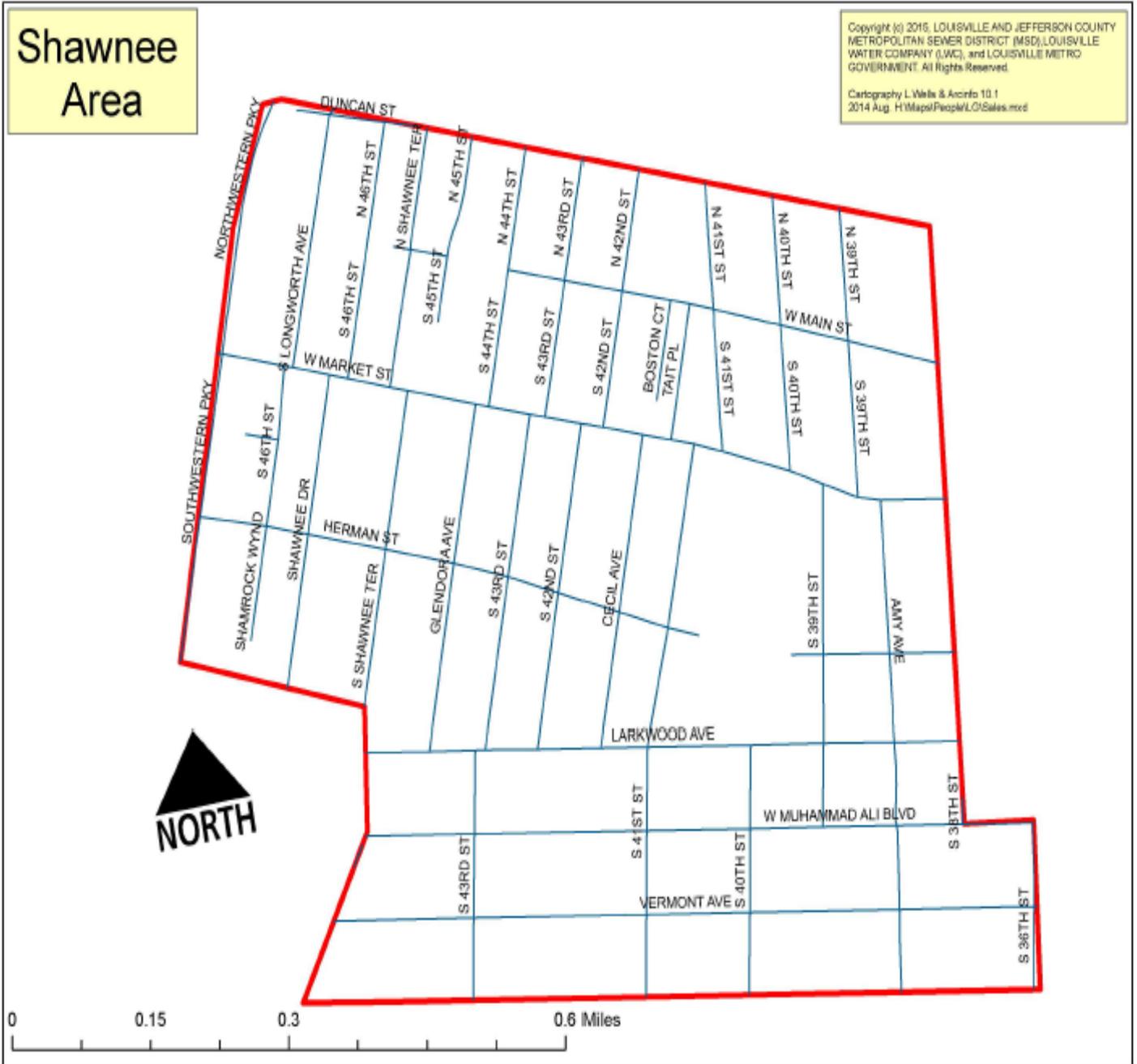
All documents are listed below must be completed prior to approval of an application. Applications will be processed on a first-come, first-serve basis. Applications will be considered for funding once all information is received.

Please submit application online with attachments or email to Christina Maddox at Christina.maddox@louisvilleky.gov.

- 1. Completed, Signed application form
- 2. Completed Sales Contract
- 3. Proposed Scope of Work with cost estimates for repair and improvements
- 4. Proof of Income (Full month of recent pay check stubs)
- 5. Current and Last Year's Federal and State Tax Returns and W-2's
- 6. Pre-Approval Letter from Bank or Lending Institution
- 7. Copy of your Bank/Lending Institution Loan Application (Form 10-0-3)
- 9. Copy of Good Faith Estimate from Bank/Lending Institution
- 9. HUD Approved Homeownership Counseling Certificate, if first-time homebuyer
- 10. Copy of Divorce Decree (if applicable)



SHAWNEE HOMEOWNERSHIP INCENTIVE PROGRAM AREA MAP



PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM AREA MAP

Portland NRSA Boundary



Legend

Portland NRSA Boundary



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Housing and Family Services
Karl Keeling
January 6, 2011
<portlandnrsuboundary>



**SHAWNEE AND PORTLAND
HOMEOWNERSHIP INCENTIVE PROGRAM
APPLICATION**

*NOTE: Spouse(s), if any, of titleholder should join in any proposed Deed or Mortgage.
(Refer to Kentucky Laws of Dower Rights). This is required for second mortgage/incentive.

This package is being prepared for and submitted to the Housing and Community Development Division for second mortgage funds
for the Shawnee and Portland Urban Homesteading Incentive.

Borrowers' Name: _____ Social Security #: _____

Marital Status (Check): Married Divorced Widowed Single Separated D.O.B. _____

Present Address of Borrower(s): _____ Zip Code _____

Home Phone: _____ Work Phone: _____ Cell Phone: _____

Present Employer: _____

Co-Borrowers (OR Household Members) Name: _____ Social Security #: _____

Marital Status (Check): Married Divorced Widowed Single Separated D.O.B. _____

Present Employer Co-Borrower: _____

Total Gross Household Annual Income: _____ Total in Household ____ (# of Adults ____ # of Children ____)

Are you a first time homeowner? Yes No Have you owned property in the last 3 years? Yes No

Address of Property To be Purchased: _____ Zip _____

Sales Price: _____ Is this house: Existing Structure or New Construction

Builder/Seller: _____ Phone: _____

Bank or Lending Institution: _____

Loan Officer: _____ Phone: _____ Fax # _____

Realtor: _____ Phone: _____ Fax _____



SHAWNEE AND PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM APPLICATION

Form **4506**

(Rev. September 2013)

Department of the Treasury
Internal Revenue Service

Request for Copy of Tax Return

OMB No. 1545-0429

▶ Request may be rejected if the form is incomplete or illegible.

Tip. You may be able to get your tax return or return information from other sources. If you had your tax return completed by a paid preparer, they should be able to provide you a copy of the return. The IRS can provide a **Tax Return Transcript** for many returns free of charge. The transcript provides most of the line entries from the original tax return and usually contains the information that a third party (such as a mortgage company) requires. See **Form 4506-T, Request for Transcript of Tax Return**, or you can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Return or Account Transcript" or call 1-800-908-9946.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

Caution. If the tax return is being mailed to a third party, ensure that you have filled in lines 6 and 7 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax return to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your return information, you can specify this limitation in your written agreement with the third party.

6 Tax return requested. Form 1040, 1120, 941, etc. and all attachments as originally submitted to the IRS, including Form(s) W-2, schedules, or amended returns. Copies of Forms 1040, 1040A, and 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one type of return, you must complete another Form 4506. ▶

Note. If the copies must be certified for court or administrative proceedings, check here

7 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than eight years or periods, you must attach another Form 4506.

8 Fee. There is a \$50 fee for each return requested. Full payment must be included with your request or it will be rejected. Make your check or money order payable to "United States Treasury." Enter your SSN, ITIN, or EIN and "Form 4506 request" on your check or money order.

a Cost for each return	\$ 50.00
b Number of returns requested on line 7	
c Total cost. Multiply line 8a by line 8b	\$

9 If we cannot find the tax return, we will refund the fee. If the refund should go to the third party listed on line 5, check here

Caution. Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax return requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506 on behalf of the taxpayer. **Note.** For tax returns being sent to a third party, this form must be received within 120 days of the signature date.

		Phone number of taxpayer on line 1a or 2a
Sign Here ▶	Signature (see instructions)	Date
▶	Title (if line 1a above is a corporation, partnership, estate, or trust)	
▶	Spouse's signature	Date



SHAWNEE AND PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM APPLICATION

RELEASE

I, the undersigned buyer(s), applying for a soft second mortgage through the Develop Louisville, Housing and Community Development give(s) permission to same, to obtain any and all information needed in processing this loan. All information obtained will be used only for the purpose of processing of loan.

Address of property: _____ Zip _____

This must be signed and dated.

Applicant

Spouse/Co-Applicant

Signatures: _____

Printed Name: _____

Date: _____

FOR FEDERAL REPORTING PURPOSES ONLY

Are any members of the immediate household an employee, agent, consultant, officer, or elected and/or appointed official of the Public Body, or of any designated public agencies or employed by, and agent for, or consultant to Develop Louisville, Housing and Community Development? ____ **YES** ____ **NO**

If yes, please explain:

Race/Ethnicity:

- Caucasian
- African American
- Hispanic or Non Hispanic
- Native American
- Asian American
- Latino or Other _____

Household Type:

- Single/Non Elderly
- Elderly
- Related/Single Parent
- Related/Parent
- Handicap
- Female Head of Household

Are you a former or current resident of public housing? ____ **YES** ____ **NO**



SHAWNEE AND PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM POLICY INFORMATION

DESCRIPTION OF INCENTIVE

The homebuyer incentive for the Shawnee and Portland Homeownership Incentive Program is designed to stimulate the sale and rehabilitation of single-family homes in the Shawnee and Portland Neighborhood Revitalization Strategy Areas. An incentive of up to \$24,999 for property repairs and improvements will be provided in the form of a forgivable second mortgage to individuals and families wishing to purchase a home in the priority project area of the Shawnee and Portland Neighborhood Revitalization Strategy areas.

TERMS OF REPAYMENT OR RELEASE OF SECOND MORTGAGE

The second mortgage is forgivable over a five-year period; however, in the event of the sale of the subject property or transfer of title to the subject property before the six year anniversary of the property closing, the second mortgage must be repaid in full.

The second mortgage is forgivable over a five-year period. In the event of sale or transfer of your home before the expiration of the end of sixth year from the date of purchase, the entire 2nd mortgage must be repaid.

In addition, if you: **1)** do not occupy the home as your principal residence; or **2)** default on any superior mortgage or junior liens; or **3)** file a Petition in Bankruptcy and/or have a Petition filed against you or make an assignment for the benefit of your creditors, the entire sum of the 2nd mortgage is due.

A lien, held by the Louisville Metro, will be placed on the property for the specified incentive amount until the five- year expiration. Annual monitoring of principal residency and homeowner's insurance will be completed by Louisville Metro.

POLICY ON SUBORDINATION FOR REFINANCES

The Grantor will consider subordinating its second mortgage lien to a new first mortgage lender on a case by case basis. Some of the terms to be considered include the following:

- The new loan is for the purpose of obtaining an interest rate reduction or for the purpose of obtaining loan terms more favorable to the borrower. ("Cash Out" loans or refinances for the purpose of consolidating, eliminating or reducing debt do not meet this condition.)
- The new first mortgage is no greater than the current payoff plus reasonable (as determined by the Grantor) closing costs.
- There is total compliance with the terms and conditions of the Grantor's original note, mortgage and/or agreement with the Borrower.
- The debt does not exceed appraised value.
- The new loan does not have an adjustable interest rate.
- The new loan does not have a prepayment penalty clause.
- There is no reduction of the borrower's income nor increase in the debt to income ratios.



SHAWNEE AND PORTLAND HOMEOWNERSHIP INCENTIVE PROGRAM POLICY INFORMATION

POLICY ON SUBORDINATION FOR REFINANCES

In the event a subordination request is for a purpose other than obtaining more favorable loan terms:

- The borrower must undergo a refinance review by a HUD certified counseling agency at borrowers cost.
- Provide a copy of the counseling agency’s determination to the subordination request.
The Grantor will then undertake an evaluation of the request based upon the extreme hardship to the borrower, the overall loan terms and recommendation of the counseling agency. Borrowers’ participation in and completion of the review process does not ensure approval of subordination request.

In either of the above scenarios, the Grantor will undertake reviews of subordination requests only if it is accompanied by complete documentation per the guidelines of the Subordination Request. Incomplete documentation shall be the basis for the immediate denial of the request.

Because of confidentiality constraints, neither the grantor(s) nor the staff of the Louisville Metro will communicate with lenders or their loan officers regarding the subordination application or approval status.

APPLICATION SIGNATURES

I acknowledge receipt of the Terms and Conditions of the Soft Second Mortgage Award Policy. I further acknowledge that the Terms and Conditions of this Policy have been reviewed with me and explained in full. In addition, I give my permission for photographs of household members taken with my permission to be used in Louisville Metro Government’s marketing materials to include, but not be limited to, printed brochures and the Louisvilleky.gov website.

Borrower

Date

Co-Borrower

Date

Housing and Community Development Staff

Date

