

County of Ocean Consortium



First Time Homebuyer Program Guidelines

 **Down payment
and Closing Cost Assistance**

 **Achieve your dream of
owning your own home!**



sponsored by the

**Ocean County Board
of Commissioners**

in partnership with Program Administrator

O.C.E.A.N., Inc.

40 Main Street
Toms River, NJ 08753

Housing Counselor Mark Lamela
(732) 244-5333 x1110 | MLamela@oceaninc.org



EQUAL HOUSING OPPORTUNITY

County of Ocean Consortium



First Time Homebuyer Program Guidelines

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HUD-Certified Housing Counselor Mark Lamela
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County of Ocean Consortium



First Time Homebuyer Program Guidelines



Overview:

- ☐ The **FIRST TIME HOMEBUYER PROGRAM** is proudly sponsored by the Ocean County Board of Commissioners on behalf of the Ocean County Consortium through the County Planning Department.
- ☐ The Ocean County Consortium receives HOME Investment Partnership Program funding each year from the **U.S. Department of Housing and Urban Development (HUD)**. HOME Program funds are used to create affordable housing for low and moderate income households.
- ☐ The First Time Homebuyer Program is administered in partnership with O.C.E.A.N., Inc. The O.C.E.A.N., Inc. Housing Counselor will be the Applicant's point of contact to provide assistance and guide them throughout the process.



Purpose:

To assist first time homebuyers with closing costs and down-payment assistance.



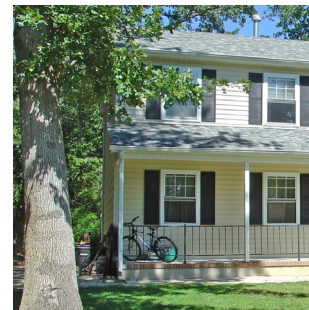
Goal:

To help Ocean County residents achieve their dream of homeownership.



Program Features:

- ☐ The program provides **\$25,000** in financial assistance to qualified low and moderate Ocean County residents to assist in the opportunity to purchase a home in Ocean County.
- ☐ The homebuyer must have a minimum of 3.0% of the Sales Price as down-payment; however, only 1.0% is required to be from the homebuyer's account. The remaining 2.0% can be from gift funds or from the First Time Homebuyer program.
- ☐ The assistance is in the form of a deferred loan, and is secured by a second mortgage, which is forgiven and canceled after a period of six years.
- ☐ The program features reduced bank fees and closing costs.
- ☐ Mortgage discount points are permissible only if paid by buyer or seller and not through program grant funds.
- ☐ Participating Lenders agree to comply with the Ocean County First Time Homebuyer Program Guidelines and offer equal services to our applicants.



★ These funds are available on a first-come, first-serve basis and are subject to availability. The funds are not guaranteed and are approved on a case-by-case basis. The total amount of funds received from HUD for this grant is limited annually.



Homebuyer Eligibility Requirements

Prospective homebuyers must meet the following requirements to be eligible for assistance:

 **An Applicant is considered a First Time Homebuyer if he/she meets the following requirements:**

- 1) Has not owned a home on their own in the past three (3) years;
- 2) Or who has previously owned a home with a former spouse or significant other and no longer resides in that home, and is trying to purchase a home solely and separately.

- ☐ MUST be a resident of Ocean County for 180 days or more.
- ☐ MUST be a U.S. Citizen or a permanent resident alien.
- ☐ MUST have a steady employment history.
- ☐ MUST have a **down-payment amount of 3.0% of the Sales Price.**
NOTE: An amount of 1.0% of the Sales Price must be from your own account.
- ☐ MUST meet the **HUD INCOME LIMIT REQUIREMENTS** below.
- ☐ MUST meet the **CREDIT REPORT REQUIREMENTS** – your credit score must comply with the mortgage standards to be deemed “mortgage ready” with a minimum credit score of 620.
- ☐ **MUST have sufficient income** to support the monthly mortgage loan payment and monthly recurring debts.
- ☐ MUST have a **TWO MONTH RESERVE** of the TOTAL MONTHLY MORTGAGE PAYMENT in the bank. This includes the monthly principal, interest, taxes, Homeowners’ Insurance, Mortgage Insurance and Homeowners Association Dues. This will be verified by submitting a current bank statement.
- ☐ MUST meet the **ASSET TEST** requirements (Page 6) – and show an established pattern of savings.
- ☐ MUST attend the O.C.E.A.N., Inc. HUD Certified **Homeownership Education Workshops**, which are offered to all applicants that submitted their completed applications, forms and all supporting documents. The two-part (6 hours total) workshops are offered every three months.
- ☐ ALL APPLICANTS MUST be enrolled in the grant program. (The mortgage loan may be in one name only, but the grant requires all Applicants be enrolled.)

*** INVESTORS are not eligible for the First-Time Homebuyer grant program.**



HUD Income Limit Requirements per Household Size

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
72,950	83,400	93,800	104,200	112,550	120,900	129,250	137,550

Effective June 2025

*** TOTAL household income from ALL sources for ALL members of the household (Wages, Pension, Social Security, Child Support, Alimony, Section 8 Assistance, Scholarships, etc.)**



Eligible Homes

The home **MUST** be located in Ocean County.

- ☐ **Eligible housing types** include: Single Family, Condominium, Townhouse or Manufactured Home. No mobile homes.
- ☐ **Purchase Price of the home cannot exceed \$521,000**, current maximum HUD limit for Ocean County.
- ☐ The **First Time Homebuyer MUST live in the house as principal residence** within sixty (60) days after closing.
- ☐ The home purchased **MUST be your PRIMARY RESIDENCE** during the entire life of the grant period (6 YEARS) and may not be used as a rental investment property. **INVESTORS are not eligible for the First-Time Homebuyer grant program.**
- ☐ The property being acquired must meet HUD and local housing standards and code requirements, prior to receiving assistance.

Loan Requirements

- ☐ The mortgage loan must be a **FIXED RATE – FHA, VA or CONVENTIONAL MORTGAGE LOAN.**
- ☐ You may obtain a mortgage loan with as little as 3.0% down-payment. Your income must be sufficient to re-pay the loan according to the mortgage terms.
- ☐ The maximum closing cost and down-payment assistance to be provided from the grant program is \$25,000. County Funds will be applied toward closing costs first and the remaining funds will go toward down-payment assistance.
- ☐ Private Mortgage Insurance may be required on your mortgage loan. Mortgage Insurance will be provided by your lender according to the mortgage guidelines on your loan.
- ☐ The GRANT will be secured by a second mortgage on the property. Upon completion of the six year grant period the second mortgage will be forgiven and canceled.
- ☐ The mortgage term can be subordinated with a 15-year or 30-year Mortgage.
- ☐ Buyers may not receive cash back at closing.
- ☐ See Page 7 for a list of Participating Lenders.



Housing Counseling Services

Those who do not qualify for the First Time Homebuyer program may decide to utilize other O.C.E.A.N., Inc. Housing Counseling services to obtain assistance in developing a savings plan, repairing and maintaining good credit, and budgeting for homeownership.

Contact O.C.E.A.N., Inc. Housing Counselor Mark Lamela for more information on counseling services. (732) 244-5333 x1110 or email MLamela@oceaninc.org.

First Time Homebuyer Program Steps



① Start the FIRST TIME HOMEBUYER PROCESS!

- ☐ **REVIEW the ELIGIBILITY REQUIREMENTS** as listed in the Program Guidelines, including the HUD Income Limits.
- ☐ **CONTACT THE HOUSING COUNSELOR** to register for the program and request the Pre-Application Packet. (email MLamela@oceaninc.org)
- ☐ The Housing Counselor will email you a link to **SCHEDULE A PHONE INTERVIEW** to complete Pre-Screening and guide you through the homebuying process.

② PRE-APPLICATION

- ☐ Complete and return the **PRE-APPLICATION FORM** and **CREDIT AUTHORIZATION FORM**, along with a Check or Money Order, payable to O.C.E.A.N., Inc. to release a copy of your credit report.
- ☐ Select a **LOAN OFFICER** from the List of Participating Lenders (Page 7).
- ☐ **HOUSING EDUCATION WORKSHOPS:** Enroll in the **mandatory** HUD-approved Homeownership Education Workshops provided by O.C.E.A.N., Inc. – The two-part (6 hours total) workshops will include homeownership education, credit and budgeting information and homeownership responsibilities.

③ CERTIFICATE OF ELIGIBILITY

- ☐ **CONGRATULATIONS! You have completed the PROGRAM ELIGIBILITY PHASE and will receive your CERTIFICATE OF ELIGIBILITY. Applicant now has 6 months to purchase a home and schedule the CLOSING.** *(An extension can be granted for an additional 6 months by sending in a written request to O.C.E.A.N., Inc.)*

④ CONTRACT OF SALE

- ☐ Once the **SALES CONTRACT** has been signed by all parties, the Applicant provides it to O.C.E.A.N., Inc., along with the name and contact info of their **CLOSING ATTORNEY**.
- ☐ At this time, the Applicant completes the **APPLICATION PACKET** with all required documents as listed on Page 5. All income documents must be 6 months current.
- ☐ O.C.E.A.N., Inc. will notify the County of an Applicant's eligibility and a **RESOLUTION** authorizing funding will be prepared for the next meeting of the Ocean County Board of Commissioners.

⑤ MORTGAGE and FINAL REVIEW

- ☐ The **MORTGAGE LENDER** forwards the final mortgage documents, including the Loan Commitment/Approval and Appraisal to O.C.E.A.N., Inc. and the Applicant's Attorney for review. Upon completion of the legal documents, the Applicant's Attorney forwards a **COMPLETE CLOSING PACKAGE** to the COUNTY'S ATTORNEY (Berry, Sahradnik, Kotzas & Benson, P.C).

⑥ CLOSING

- ☐ Once the **COMPLETE CLOSING PACKAGE** is approved by the COUNTY'S ATTORNEY, the **CLOSING** can be scheduled. A representative from the County will provide the grant funds to the Applicant at the closing.

CONGRATULATIONS!
YOU ARE THE OFFICIAL OWNER
OF YOUR OWN HOME!



* Monitoring for 'principal residency' will be conducted annually after your closing. The County may audit the file throughout the duration of the deferred loan.

Required Documents



DOCUMENTS to be submitted with the APPLICATION PACKET by APPLICANT to O.C.E.A.N., Inc.:

- ☐ FEDERAL Income Tax Return for the previous TWO years – MUST have INK Signature
- ☐ IRS FORM 4506-T - "Request for Transcripts of Tax Return" – Must be completed and signed in ink
- ☐ Copy of Credit Report – Must be ordered by O.C.E.A.N., Inc. or provided by your lender
- ☐ Copies of Bank Statements for all accounts for the previous six months – ALL Pages
- ☐ Copies of Paystubs – four most recent consecutive paystubs for all jobs
- ☐ Other Income – provide proof of any other income you may have from all jobs
- ☐ Copies of W-2 Forms for the previous two years for all jobs
- ☐ Verification of Assets on Deposit Form
- ☐ Verification of Assets Disposed of Form
- ☐ HOME Eligibility Release Form
- ☐ Documentation for any GIFT FUNDS received – must be exact amount of gift(s)
- ☐ Copies of Social Security Cards for all household members
- ☐ Copies of PHOTO ID for all adult applicants



DOCUMENTS to be submitted once UNDER CONTRACT from APPLICANT to O.C.E.A.N, Inc.

- ☐ Copy of Contract of Sale (signed by Seller and Buyer)
- ☐ Copy of Deposit Check
- ☐ Copy of Inspection Report (once available)



MORTGAGE FORMS - Submitted by LENDER to O.C.E.A.N, Inc. AS SOON AS AVAILABLE

- ☐ Copy of Final Mortgage Application Form 1003 – all pages
- ☐ Copy of Uniform Underwriting and Transmittal Summary Form 1008
- ☐ Copy of Loan Commitment / Loan Approval
- ☐ Copy of Home Appraisal

*** IMPORTANT:**

- These documents will be used by O.C.E.A.N., Inc. to verify eligibility for the FTHB grant program according to the U.S. Department of Housing and Urban Development (HUD) regulations. The documents will be retained by the County of Ocean for review by HUD.
- The County reserves the right to access all income and asset documentation provided by the Lender.
- The County reserves the right to verify all income, gift money, deposit sources and residency throughout the life of the deferred loan.
- In accordance with federal regulations, all income documentation must be six months current.
- If you have not closed on a home in six months from submitting your income documents, you will be required to update your file and resubmit your income documentation.
- Failure to accurately disclose all income and asset information will result in disqualification from the First Time Homebuyer Grant Program.
- Any false or fraudulent information provided by an Applicant will be reported to the Department of Housing and Urban Development for further legal action.



Asset Test



The Applicant **MUST** have less than 30% of the purchase price in combined assets **OR** less than \$75,000 of cash and liquid assets in total. The lesser of the Asset Test will apply.

HOME PURCHASE PRICE:	Maximum in TOTAL ASSETS:
\$100,000	\$30,000
\$125,000	\$37,500
\$150,000	\$45,000
\$175,000	\$52,500
\$200,000	\$60,000
\$225,000	\$67,500
>\$250,000	\$75,000
* \$521,000	\$75,000

*Maximum Purchase Price allowable under the FTHB Program

Assets:

An asset is defined as any cash or non-cash items that can be converted into cash.

Statements for all asset accounts are required for the previous six months.

★ IMPORTANT - ALL ASSETS MUST BE DISCLOSED AT TIME OF APPLICATION.

Once the FTHB Application and Supporting Documents have been received, any changes to the type of assets stated on the application forms will result in a DENIAL in the program. It is important that you accurately disclose the exact amount of your assets and that this amount matches exactly the amount that the mortgage lender provides on the Uniform Residential Loan Application.

ANY DISCREPANCY WILL RESULT IN A DENIAL OF THE GRANT FUNDS.

Checking and Savings Accounts	Bank Statements for the previous six months are required, stating account balances.
Mutual Funds, Stocks and Bonds, any other Capital Investments	This includes all types of investment accounts. Interest, dividends or capital gains earned are counted as income from assets even when the earnings are reinvested.
Gifts from Family or Friends	All gift funds received of \$15,000 or more are considered assets. Proper documentation of gift receipts must be provided.
Over-Appraised Value	If the appraised value is greater than the sales price, the difference between the value and the sales price results in an Over-Appraised Value. Over-Appraised Value greater than \$20,000 is considered an ASSET in this program.
Cash Value of any Trust Accounts	Any Trusts available to the household will be considered ASSETS.
Grant Funds	Grant Funds from any other sources are considered ASSETS, excluding other Downpayment Assistance grants.
Lump Sum Receipts	Any Lottery Winnings, Capital Gains, Insurance Settlements, etc. are considered ASSETS.
Income or Cash from Pensions and / or Retirement Accounts	Any amount that is accessible to the applicant and is withdrawn from a Pension or a Retirement account, including lump sum payments, will be considered an ASSET in this program. This may include 401K, 403B, and Keogh accounts. Monies that are not able to be withdrawn are not considered income or assets.
Personal Property held as an Investment	Any personal property such as coin collections, gems, antique cars, or any other type of valuable collectible will be considered an ASSET. Personal jewelry is NOT considered an asset.
Equity in Real Property	Not allowed. If buyer has any other real estate properties, they would not be eligible for the First Time Homebuyer Program.



Participating Lenders



The name of your **LOAN OFFICER** and the name of the mortgage company must be stated on the 2nd page of the **PRE-APPLICATION FORM**.



Participating Lenders agree to comply with the Ocean County First Time Homebuyer Program Guidelines and offer equal services to our applicants to guide them through the lending process.

ADVISORS MORTGAGE*

Kevin Kennedy Cell: (732) 597-4398
NMLS #224148 kkennedy@AdvisorsMortgage.com

M&T BANK*

Tiffany Alphonso Cell: (732) 773-3534
NMLS #672144 TAlphonso@MTB.com

BANK OF AMERICA

Chris Padovani Cell: (862) 310-6938
NMLS #589204 Christopher.Padovani@BofA.com

MANASQUAN BANK*

Paul R. Joseph Office: (732) 476-6119
NMLS #203850 Cell: (732) 904-0012
PJoseph@Manasquan.Bank

CROSS COUNTRY MORTGAGE*

Michele Miceli Cell: (908) 672-1567
NMLS #221862 Michele.Miceli@ccm.com

MID PENN BANK

Christine Laufer Cell: (732) 232-4409
NMLS #236465 Christine.Laufer@MPBmortgage.com

KEARNY BANK*

Gerard Murphy Cell: (732) 662-0170
NMLS: #855569 GMurphy@KearnyBank.com

UNITED TELETECH FINANCIAL FCU*

Robert Salmon Cell: (732) 216-6648
NMLS #781800 RSalmon@UTCU.org

LOAN DEPOT*

Susanne Saller Cell: (908) 963-6966
NMLS #460242 SSaller@LoanDepot.com

WSFS MORTGAGE*

Anthony Calandra Cell: (856) 669-8978
NMLS #142834 ACalandra@WSFSmortgage.com

★ Bilingual services available at this branch.

★★ Bilingual representative

★ **NOTE:** USDA AND NJHMFA LOAN PROGRAMS ARE ALLOWED IN THE FIRST TIME HOMEBUYER PROGRAM
USDA: www.rurdev.usda.gov/nj | NJHMFA: www.nj-hmfa.com



Lead-based Paint Regulations

All applicants must comply with the requirements set forth in 24 CFR Part 35, et al, of the Federal Register dated September 15, 1999 and as amended, for the requirements of Notification, Evaluation, and Reduction of Lead Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance. All residential dwellings built prior to 1978 must be visually inspected for lead based paint and lead based paint hazards. If lead paint is present, abatement must be performed in accordance with the federal standards. Disclosure documents must be signed by the SELLER, BUYER, and ADMINISTRATOR of the Homebuyer Grant Program and be retained in the file. The homebuyer must receive a copy of the pamphlet "Protect Your Family From Lead In Your Home."

Recapture Provision

★ If you sell your home, rent your home, or do a refinance for cash-out within the first SIX YEARS of purchase, you will be subject to immediate re-payment of the full amount of HOME funds awarded to you through the deferred loan from the County of Ocean.



The Fair Housing Act



The Department of Housing and Urban Development (HUD) enforces the Fair Housing Act, which prohibits discrimination and the intimidation of people in their homes, apartment buildings, and condominium developments – in nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.



The Fair Housing Act prohibits discrimination in housing on the basis of:

Race or color, National Origin, Religion, Sex, Familial status (including presence of children), Pregnancy, Disability



In the Sale and Rental of Housing, no one may take any of the following actions:

- Refuse to rent, sell, or negotiate for housing, or deny housing
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade, or try to persuade homeowners to sell or rent dwellings by suggesting that people of a particular race, etc. have moved, or are about to move into the neighborhood (blockbusting)
- Deny any person access to, membership or participation in, any organization, facility or service (such as a multiple listing service) related to the sale or rental of dwellings, or discriminate against any person in the terms or conditions of such access, membership or participation.



Mortgage Lending:

No one may discriminate based on race, color, religion, sex, disability, familial status, or national origin, by refusing to make a mortgage loan, provide information, impose different terms on a loan, discriminate in appraising property, or discriminate in regards to homeowners insurance, etc.



What Housing is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

This information is from **“FAIR HOUSING Equal Opportunity for All,”** produced by the U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity.

More information is available on the HUD Fair Housing website, including more details, and additional protections for persons with disabilities, families with children, accessibility requirements for multi-family buildings, and the complaint process.

For more information: www.HUD.gov/FairHousing

If you think your rights have been violated, contact HUD New York Regional Office:

800-496-4294 | Complaints-office_02@hud.gov

Benefits of Home Ownership



You are about to embark on the exciting process of achieving the dream of owning your own home!

*** It is important to research and decide if homeownership is right for you.**

Homeownership has many benefits over renting.

These include:

- ☐ Stable monthly payments
- ☐ Opportunity to build equity
- ☐ Cheaper than renting over time
- ☐ Owning a home provides tax advantages
- ☐ Freedom to make changes and customize your home
- ☐ Building a strong credit history
- ☐ Solid investment
- ☐ Pride of ownership
- ☐ Community involvement
- ☐ Improved stability
- ☐ Paying a low mortgage rate
- ☐ Hedging against inflation
- ☐ Privacy



Ocean County HOME Program Consortium Members

Ocean County, Brick Township, Jackson Township,
Lakewood Township and Toms River Township

The First Time Homebuyer Program
is sponsored by the

Ocean County Board of Commissioners

Frank Sadeghi, Director

Jennifer Bacchione, Deputy Director

Robert S. Arace - Sam Ellenbogen - Ray Gormley

in partnership with Program Administrator

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