

Rider to Real Estate Purchase Contract

HouseHartford Homebuyer Assistance Program

_____ (Property Address)

Dated this _____ day of _____ 20_____

Between _____ (“SELLER”)

and _____, (“BUYER”)

for property located at _____ (Property Address),

Hartford, Connecticut (the “Property”).

1. BUYER acknowledges that the City of Hartford (the “City”) has not made a determination as to the income eligibility of his/her HouseHartford application for downpayment assistance. Upon a final determination of income and household size by the City, approval may be granted or denied. For persons/families earning 0-80% of the Hartford Area Median Family income adjusted for family size established by HUD as the low-income limits under the HOME Program, for those that are eligible can be provided an interest free loan in an amount up to \$14,999 in downpayment assistance. Hartford Housing Authority applicants are eligible only for closing costs up to a maximum of \$3,000.
2. BUYER agrees to obtain an affordable purchase mortgage from a lender which conforms to the City’s Purchase Mortgage Policy and Procedure and to execute a Purchase Mortgage Certification for the benefit of the City. A sample Purchase Mortgage Certification is attached hereto as Exhibit 1. An “affordable purchase mortgage” has monthly payments of principal, interest, taxes and insurance (PITI) and association fees (when applicable) at a maximum of 30% of the BUYER’S anticipated gross monthly household income. However, if the purchase is part of a CHFA or FHA first mortgage program, then these agency’s higher housing ratios – up to 33% - will supersede the 30% maximum. City subsidy will be based on these limits.
3. If approved by the City, a condition to the receipt of the City HOME Funds is that BUYER agrees to maintain the Property as his/her primary residence for an “affordability period” of not less than five years where the amount of City HOME Funds provided is less than \$15,000, ten years if the amount of assistance provided is more than \$15,000 but less than \$40,000. Where the affordability period is five years, the amount to be repaid will be reduced at the rate of 20% per full year (increments of 365 day periods from the loan closing date) resulting in the complete forgiveness of the loan at the end of year five. Where the affordability period is ten years, the amount to be repaid will be reduced at the rate of 10% per full year (increments of 365 day periods from the loan closing date) resulting in the complete forgiveness of the loan at the end of year ten. For selected areas or on a case by case basis the City may consider raising the homebuyer downpayment assistance in excess of \$14,999. (Must meet mortgage affordable purchase mortgage listed above)
4. The SELLER acknowledges that if the applicant(s) is approved to receive HouseHartford downpayment and/or closing cost assistance, then the City will conduct a housing quality standards inspection on the premises. Any deficiencies identified must be corrected in a timely and safe manner meeting all Federal, State and local conditions prior to a loan closing.

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- 5. BUYER acknowledges that _____ income-eligible household members will reside at the Property. All households that receive City HouseHartford Funds must be income-eligible at the time assistance is provided (at time of purchase of the Property). Generally, the HouseHartford Program permits household income verification dated no earlier than six months prior to receipt of assistance. BUYER must provide household income recertification documentation as requested by the City should more than six months pass between the date the Purchase and Sale Agreement is executed and the date of the Property conveyance.
- 6. BUYER acknowledges that City HouseHartford Funds are Federal funds provided as homebuyer assistance and as such are subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). In accordance with the URA Real Property Acquisition section 49 CFR 24.101(b)(2), the BUYER acknowledges that his/her offer to purchase the Property is voluntary and that the property will not be acquired in the event negotiations fail to result in an amicable agreement. The BUYER estimates the fair market value of the Property to be \$_____.
- 7. BUYER acknowledges that all eligible homebuyers purchasing HouseHartford-Assisted Units will be required to complete an eight (8) hour homebuyer education class provided by a HUD approved counseling agency prior to purchase of any property utilizing the HouseHartford Program.
- 8. The BUYER acknowledges and agrees to respond to the City of Hartford’s annual certification monitoring notice during the applicable affordability period - attesting to their ongoing primary residency at the Property.
- 9. The BUYER and SELLER acknowledge that the City of Hartford mortgage will be subordinate to any first mortgage and any direct down payment assistance (if applicable applicants must meet Federal Program Income Limits) financing obtained by the BUYER.
- 10. Failure of the BUYER to meet HouseHartford program eligibility will result in the termination of any purchase and sale agreement or any other real estate contract intended to convey title related to the Property between SELLER and BUYER and the removal of any and all obligations of the SELLER to transfer the Property to the BUYER.

SELLER: _____

 (Signature)

 Date

_____, Its Authorized Agent
 (Printed Name)

BUYER: _____
 (Signature)

 Date

BUYER: _____
 (Signature)

 Date

