

Your Steps to Homeownership

To be considered for the City of Houston (City) Housing and Community Development Department (HCDD) Homebuyer Assistance Program (HAP), the subsequent steps are to be followed.

- **Step 1 - Homebuyers Education** - In person attend a Homebuyers Education class to obtain your Homebuyers Education Certificate from a *US Department of Housing and Urban Development (HUD) Approved Homebuyers Counseling Agency*. Visit the HUD website for a list of HUD Approved Housing Counseling Agencies in your area.

Homebuyers Education Counseling and your receipt of a Homebuyers Education Certificate are mandated steps towards homeownership. The Homebuyers Education class is required to give homebuyers an understanding of the full scope of buying a house, beginning with the business process of acquiring a home mortgage to the ongoing costs associated with staying in the home and maintaining a household.

- **Step 2 - Authorized Lender** - Schedule an appointment with one of our Authorized Lender's. Visit the HCDD website at *www.houstonhousing.org* for a list of *HAP Authorized Lenders*. Our Authorized Lenders have completed a special Lenders Training Workshop that informs them of the HAP and its guidelines. For you to be considered for the HAP program, the lender you select must be a HAP Authorized Lender.

Although HAP provides you with an Authorized Lenders list, you must be a consumer who carefully selects the company you feel most comfortable working with. If an Authorized Lender has a website view their site and ask questions about the lender's success rate in obtaining HAP funding. If you are aware of personal credit issues disclose them to the Authorized Lender prior to your credit report being pulled. At your initial appointment with an Authorized Lender take the items listed on the HCDD website as *Things to Bring to Your Lender*, and any additional items the Authorized Lender may require.

- **Step 3 - Real Estate Professional** - Once pre-approved for a loan, contact a Real Estate Professional of your choice. However, you are not required to use a Real Estate Professional, yet we suggest you carefully consider the pros and cons of using a Real Estate Professional. Once you locate a property; and a sales contract has been agreed to by all parties the Real Estate Professional, builder, and/or you will provide documentation regarding the property to your Authorized Lender. Additional information may be requested.
- **Step 4 - Authorized Lender** - The Authorized Lender will coordinate the required information and documentation to submit a file on your behalf to the City for HAP processing and review for file approval or denial. Applicants do not apply directly to the City for HAP funds.
- **Step 5 - City HAP** - During the City's review process, you may be contacted by a HAP staff member for additional information. A HAP Processor reviews the file to verify that it meets HAP guidelines. Within 3 days after a file is assigned to a HAP Processor the Authorized Lender receives an e-mail indicating any outstanding conditions. Usually there are conditions that must be satisfied prior to the file moving forward. Also, during the file review procedure a HAP Processor can make a determination of denying a file based on income or other documentation related to the file.

The HAP Supervisor reviews all HAP Processor's file determinations and provides the final decision on submitted files. If a file is denied a notice of denial is e-mailed to the Authorized Lender. A denial letter is mailed to the Applicant explaining why the file was denied. Please note Authorized Lenders are trained how to assess Applicants based on HAP guidelines to limit future disappointments. Most Authorized Lenders do a good job of evaluating Applicants. However, on occasion Applicants may be denied HAP funds.

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- **Step 6** - Authorized Lender - Your Authorized Lender will clear all HAP conditions. If necessary the Authorized Lender will seek your assistance to resolve these conditions. On occasion the HAP Processor may contact the Applicant to clarify a matter related to their file. Once the Authorized Lender has collected all outstanding conditions the Authorized Lender will notify the HAP Processor.
- **Step 7** - City HAP- The HAP Processor will request an HCDD property inspection, environmental review and other evaluations required to complete a HAP file. Upon satisfying the file's conditions, property pass HCDD inspections, and environmental review the file is submitted to the HAP Supervisor for a final evaluation. Note: The HAP inspections and environmental review are for HAP use only and are not the same as an inspection performed by a licensed Texas Real Estate Inspector and/or other licensed professional. For the Applicants' safety and peace of mind we suggest the completion of a home inspection performed by a licensed Texas Real Estate Inspector and/or other licensed professional.
- **Step 8** - City HAP- The HAP Supervisor will confirm no other conditions are required to meet HAP guidelines, and then issue a Commitment Letter. The HAP Processor will provide pre-closing instructions and closing documents to the Authorized Lender and Title Company. Per HAP guidelines no closing should be scheduled 48 hours prior to HAP's review and final approval of the HUD-1 settlement statement and closing documents. The HAP Processor will work with your Authorized Lender and the title company to close and fund your transaction in a timely manner.