

**RESOLUTION NO. 2019-110**

**A RESOLUTION MAKING TECHNICAL REVISIONS TO THE  
LOCAL HOUSING ASSISTANCE PLANS FOR FY 18/19, 19/20 AND  
20/21 TO THE DOWN PAYMENT AND CLOSING COST ASSISTANCE  
STRATEGY THAT NEW AND EXISTING MANUFACTURED  
LAND/HOME PACKAGE LESS THAN 20 YEARS OLD ARE  
ELIGIBLE WITH A MAXIMUM AWARD OF \$10,000.**

**WHEREAS**, The Local Housing Assistance Plan (LHAP) for FY 18/19 through FY 20/21 was adopted on April 17, 2019, by Resolution 2019-75. The adopted LHAP provides awards for Down Payment and Closing Cost Assistance for new or existing manufactured land/home package with a maximum award of \$10,000.

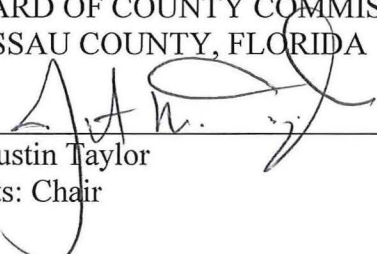
**WHEREAS**, after review by SHIP Staff and Florida Housing Finance Corporation, it is recommended to add wording to the Local Housing Assistance Plan (LHAP) and

**WHEREAS**, this request has created a need for a technical revision to the LHAP.

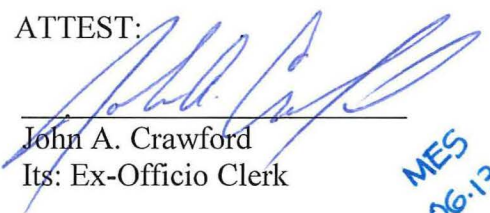
**NOW THEREFORE**, this the 10th day of June, 2019 be it resolved by the Board of County Commissioners of Nassau County, Florida to amend the LHAP as follows:

1. Amend the following areas:
  - a. Section II A, A shall be amended to add, "New and existing manufactured land/home package less than 20 years old are eligible."
  - b. Section II A, D shall be amended to add, "for home or condominium; \$10,000 for new and existing manufactured land/home package."
  - c. Section II A, H shall be amended to add, "or new or existing manufactured land/home package."
2. The amended LHAP shall be filed with the Florida Housing Finance Corporation upon the effective date of this resolution.

BOARD OF COUNTY COMMISSIONERS OF  
NASSAU COUNTY, FLORIDA

By:   
Justin Taylor  
Its: Chair

ATTEST:

  
John A. Crawford  
Its: Ex-Officio Clerk

MES  
06.13.19

APPROVED AS TO FORM  
BY THE NASSAU COUNTY ATTORNEY:

  
Michael S. Mullin

**RESOLUTION NO. 2019-75**

**A RESOLUTION MAKING TECHNICAL REVISIONS TO THE LOCAL HOUSING ASSISTANCE PLAN FOR FY 18/19, 19/20 AND 20/21 TO ADD IF BORROWER FAILS TO PAY THE NOTE AS REQUIRED, THE INTEREST RATE SHALL BE TEN PERCENT (10%) PER ANNUM FROM THE DATE WHEN PAYMENT ON THE NOTE IS DUE UNTIL PAID IN FULL BY BORROWER.**

**WHEREAS,** The Local Housing Assistance Plan (LHAP) for FY 18/19 through FY 20/21 was adopted on September 24, 2018, by Resolution 2018-108. The adopted LHAP provides awards for Down Payment and Closing Cost Assistance, Owner Occupied Housing Rehabilitation and Demolition/Reconstruction utilized by the SHIP Program; and add "If the Borrower fails to pay the Note as required, the interest rate shall be ten percent (10%) per annum from the date when payment on the Note is due until paid in full by Borrower" to the Owner Occupied Housing Rehabilitation and the Demolition/Reconstruction Housing Strategies.

**WHEREAS,** after review by SHIP Staff and Florida Housing Finance Corporation, it is recommended to add wording to the Local Housing Assistance Plan (LHAP) and

**WHEREAS,** this request has created a need for a technical revision to the LHAP.


**NOW THEREFORE,** this the 17<sup>th</sup> day of April, 2019 be it resolved by the Board of County Commissioners of Nassau County, Florida to amend the LHAP as follows:

**1. Amend the following areas:**

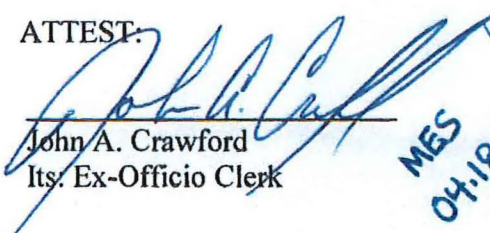
- a. Section II B, E, 6 shall be amended to add If the Borrower fails to pay the Note as required, the interest rate shall be ten percent (10%) per annum from the date when payment on the Note is due until paid in full by Borrower.
- b. Section II F, E, 1 shall be amended to If the Borrower fails to pay the Note as required, the interest rate shall be ten percent (10%) per annum from the date when payment on the Note is due until paid in full by Borrower.

2. The amended LHAP shall be filed with the Florida Housing Finance Corporation upon the effective date of this resolution.

BOARD OF COUNTY COMMISSIONERS OF  
NASSAU COUNTY, FLORIDA

By:   
Justin Taylor  
Its: Chair

ATTEST:

  
John A. Crawford  
Its: Ex-Officio Clerk

MES  
04-18-19

APPROVED AS TO FORM  
BY THE NASSAU COUNTY ATTORNEY:

  
Michael S. Mullin



**Section II. LHAP Strategies:**

<b>A. Down Payment and Closing Cost Assistance (Homeownership)</b>	<b>Code 2</b>
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- A. Summary of Strategy: The Down Payment and Closing Cost Assistance strategy assists eligible homebuyers by providing funds to be used for down payment and closing costs when purchasing a newly constructed and/or existing single-family home or condominium not to exceed \$225,000. New and existing manufactured land/home package less than 20 years old are eligible.
- B. Fiscal Years Covered: 2018-2019, 2019-2020, 2020-2021
- C. Income Categories to be served: Very low, low and moderate
- D. Maximum award: \$45,000 for home or condominium; \$10,000 for new and existing manufactured land/home package
- E. Terms:
1. Repayment loan/deferred loan/grant: Deferred Loan secured by a recorded subordinate mortgage and note
  2. Interest Rate: 0%
  3. Years in loan term: 10 Years
  4. Forgiveness: Forgiven at the end of the 10 years
  5. Repayment: The loan requires no monthly payment

Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the outstanding balance will be due and payable. If the Borrower fails to pay the Note as required, the interest rate shall be ten percent (10%) per annum from the date when payment on this Note is due until paid in full by Borrower.

In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

If the home is foreclosed on by a superior mortgage holder, the county will make an effort to recapture funds through the legal process if it is determined that adequate funds may be available to justify pursuing a repayment.

The applicant must homestead the home with the County Property Appraiser's Office within 60 days after closing and maintain homestead designation throughout the 10-year affordability period. This is verified annually with the County Property Appraiser's Office by SHIP staff. If the home is not homesteaded at any time during the 10-year affordability period the applicant

will receive a letter stating they are in non-compliance and the lien will not be satisfied until the homestead designation is in place.

- a. The County will subordinate a mortgage when the homeowner is refinancing the first mortgage under the following circumstances:
  - 1.) Mortgage lender must provide a copy of the new First Mortgage and a copy of the settlement statement stating that the borrower shall receive no cash out at closing or alternatively, all cash out funds are to be paid immediately and directly to the County as a principle reduction of the second mortgage.
  - 2.) The borrower is not in breach of any terms of the applicable LHAP and is not in breach of any terms contained in the Note and Mortgage.
  - 3.) Closing costs may be rolled into the refinancing first mortgage under the following conditions:
    - a.) All first mortgage payments must be current.
    - b.) The appraised value of the home must be equal to or greater than the outstanding balance on the SHIP Loan plus the balance on the refinanced First Mortgage. Appraised value is determined by:
      1. An appraisal less than 30 days old if the refinancing institution requires an appraisal; or
      2. If the First Mortgage lender does not require a new appraisal, the appraised home value will be calculated by dividing the Just Value as listed on the Property Appraiser's current certified tax roll by 0.85.
    - c.) In such an event, the County Manger is authorized to execute the Subordination Agreement on behalf of Nassau County Board of County Commissioners.

The County shall authorize a Short Sale when SHIP assisted property owners become financially distressed and notify the SHIP office that they can no longer afford to pay their first mortgage based upon the following criteria:

1. At the time of closing, the first mortgage lender must reimburse to Nassau County a percentage of the balance owed on the County's Second Mortgage as determined by the following chart:

<u>Years Owned (from date of closing):</u>	<u>Amount Due:</u>
Purchase date through end of year 3	30% of balance
4 through end of year 7	20% of balance
8 through end of year 10	10% of balance

- The seller of the SHIP assisted property shall not receive any money from the Short Sale transaction.
- The Office of Management and Budget must review and approve

- the HUD Settlement Statement prior to the Short Sale closing.
- Upon receipt of the Short Sale reimbursement, the County shall waive all rights to file future judgments for deficiency against the SHIP homeowner.
- Upon receipt of the Short Sale reimbursement, the Office of Management and Budget shall satisfy the second mortgage subsidy.
- The Short Sale reimbursement shall be deposited into the Local Housing Trust Fund as program income.
- If the first mortgage lender does not agree to reimburse Nassau County the SHIP second mortgage will remain on the property.

F. Recipient Selection Criteria:

1. Eligible participants must not own a home at the time of closing on the SHIP assisted home.
2. The eligible participant must qualify for a first mortgage loan to receive down payment and closing cost assistance.
3. Assistance will be provided on a, first-qualified, first-served basis by income category to meet set-aside requirements.
4. To be considered for inclusion in this program the applicant must not have a contract to purchase a home prior to receiving an award letter from Nassau County.
5. Should a waiting list develop for this strategy, then eligible applicants will be added to the waiting list by income category for consideration during the current funding period.
6. The home to be purchased must be located within Nassau County jurisdiction.
7. The purchase price for the home must not exceed the maximum allowed sales price as noted on the Housing Delivery Goals Chart (Exhibit C).
8. The applicant must contribute a minimum of \$500 (excluding pre-pays) towards the purchase of the home.
9. The applicant must reside in the home being assisted within 60 days after closing.
10. Applicant must not have received assistance from the County's SHIP program within the past 10 years prior to applying for assistance.

G. Sponsor/Developer Selection Criteria: Not applicable

H. Additional Information: The applicant may purchase an eligible single-family home, ~~or condominium~~ or new or existing manufactured land/home package.