

Grand Forks Community Land Trust

Program Guidelines 2017



Grand Forks Community Land Trust serves low and moderate income families, earning up to 120% area median income for Grand Forks County. Additionally, many of the homes in GFCLT's portfolio receive funding from the Department of Housing and Urban Development and thus GFCLT is required to sell these homes to families earning under 80% area median income.

Grand Forks County 2017 Area Median Incomes:

Household Size:	1	2	3	4	5
80% AMI	\$44,050	\$50,350	\$56,650	\$62,900	\$73,000
120% AMI	\$66,075	\$75,525	\$84,975	\$94,350	\$101,925

Grand Forks Community Land Trust serves Grand Forks County and welcomes applications for those interested in or living in the area. Once applications are received along with credit scores from the applicant and co-applicant, GFCLT staff will narrow the waiting list to those who are eligible based on the following criteria:

- Residency: Applicant must be an adult (18 or older) resident, or intended resident of Grand Forks County.
- First-time Homebuyer: Applicant must fall into one of the following categories:
 - Individual/family has never previously purchased a home;
 - Individual/family has not owned a home in the past three years;
 - Previous homeowner no longer owns home due to divorce, death, domestic violence, or other major change in composition of heads of household approved by GFCLT.
 - Previous homeowner has been displaced by a natural disaster within the last 5 years.
 - Individual/family has never purchased a trailer permanently located on land owned by the family.
- Willingness to participate: Applicants must show a willingness to participate in the program and cooperate with GFCLT requirements.

Selection Criteria for GFCLT Waiting List

Homebuyers must meet ALL of the above requirements prior to purchase of a GFCLT home. Once eligibility has been determined, homebuyers will be selected on a first-ready, first-serve basis, with the following stipulations:

1) Appropriate Household Size:

- a) Households with the appropriate correlating household size to the available unit size will be given the opportunity to purchase before others.

Household Size	1	2	3	4	5+
Max. Bedrooms ¹	3*	3	4	5	5**

¹ – Families with disabilities and verified requirements for additional space will be able to purchase a home with more bedrooms to accommodate their needs.

- 2) Income Guidelines:
 - a) As noted above, some homes are restricted to serving those at or below 80% area median income. In such cases, families earning more will maintain their position on the waiting list, but will be skipped over when the selection for such a home takes place.
- 3) Pre-Approval:
 - a) Applicant must provide a written letter of pre-approval from a partner lender prior to selection for home. Eventual purchase of home will be subject to receipt of financing. The first applicant to provide interest in the home and pre-qualification will be first on the list to purchase the available home.
- 4) Affordability:
 - a) Household must have sufficient income to support minimum cost of home as set by GFCLT. Generally, GFCLT will require home buyers to provide payment of no less than 60% of the home's CLT appraised value.
 - b) Homebuyer payment for home must comply with requirements of all entities involved in the transaction. Current restrictions include:
 - i) Department of Housing and Urban Development requirement that buyers cover at least 25% of the cost of the home (subsidy cannot be more than 75% of cost).
 - ii) North Dakota Housing Finance Agency requirement that total debt to income ratio does not exceed 36% of family's total household income for buyers under 80% AMI, 41% of family's total household income for buyers above 80% AMI.
 - iii) *The noted restrictions are subject to change and may not be all inclusive. If two entities have similar policies of different values, the more restrictive must be followed. Homebuyers will be notified of any changes and will not be bound to the purchase agreement if they are no longer eligible for the purchase due to requirement changes.*
 - c) Individual/Family must pay a PITI (Principal, Interest, Taxes, Insurance) of approximately 30% of their gross monthly income based on income verifications, unless otherwise lowered by GFCLT according to lending requirements.
- 5) Homebuyer Education:
 - a) Prior to selection, family must have met with GFCLT to discuss and show an understanding of the requirements of GFCLT homeownership.
 - b) Family must complete participation a GFCLT-approved Home Buyer Education course prior to selection. Certification of completion must be provided to GFCLT.
- 6) Ability to Pay Earnest Money and Down Payment:
 - a) In order to "hold" a home for a family, a GFCLT Purchase Agreement must be signed, including payment of Earnest Money of at least \$500.
 - b) Upon selection and discussion of timeline, a family must express ability to pay minimum down payment of \$2,000 prior to closing (to include Earnest Money).