

SALISH AND KOOTENAI HOUSING AUTHORITY

GRIZZLY BEAR HOMESITES ADMISSIONS & ELIGIBILITY POLICY

This Grizzly Bear Homesites Policy was adopted by the Salish and Kootenai Housing Authority Board of Commissioners on the 2nd day of August, 2022.

**GRIZZLY BEAR HOMESITES
ADMISSIONS & ELIGIBILITY POLICY**

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GRIZZLY BEAR HOMESITES ADMISSIONS & ELIGIBILITY POLICY

SECTION 1. POLICY STATEMENT AND PURPOSE

The Salish and Kootenai Housing Authority, hereinafter referred to as the “Housing Authority”, has adopted a series of administrative and management policies. These policies are formally adopted by the Housing Authority and until revised or changed by formal action of the Housing Authority Board of Commissioners, the staff is required to follow them. Some of the provisions of these policies, but not all, reflect requirements of federal or tribal law. The Housing Authority may have also elected by formal resolution to establish alternative policies for programs that are operated without Native American Housing and Self-Determination Act (NAHASDA) Assistance.

PROGRAM PURPOSE - This program will provide an affordable homeownership opportunity to nine Housing Authority tenants or applicants on the low-rent waiting list that are financially secure. This will free up units for applicants on the low-rent waiting list. Participants will be required to purchase the homes. Program income will be used to provide additional affordable homeownership opportunities to tribal members.

POLICY PURPOSE – To set forth the rules that will be used to administer the Grizzly Bear Homesites.

FAIRNESS AND NON-DISCRIMINATION – Eligibility and selection for programs operated by the Housing Authority shall always be fair in all respects. The Housing Authority is prohibited from making determinations based in whole or in part on political views or personal bias. Selections made by the staff may be reviewed by the Board of Commissioners for compliance with this policy and other Housing Authority requirements.

Pursuant to the NAHASDA law and regulations, the Housing Authority will comply with the following nondiscrimination requirements, as applicable:

1. The Age Discrimination Act of 1975 (42U.S.C. 6101-6107) and the U.S. Department of Housing and Urban Development (HUD)’s Implementing regulations in 24 CFR Part 146.
2. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD’s Implementing regulations at 24 CFR Part 8.
3. The Indian Civil Rights Act (Title II of the Civil Rights Act of 1968; 25 U.S.C.1301-1303).

SECTION 2. APPLICATION REQUIREMENTS

Applications are available at the Housing Authority office or online at www.skha.org. You may request an application by emailing frontdesk@skha.org. A completed application includes, but is not limited to:

1. Grizzly Bear Homesites application signed by ALL members of the household that are 18 and older or an emancipated minor.

2. Documentation of enrollment in Confederated Salish & Kootenai Tribes (CSKT):
 - a. Copy of tribal ID or
 - b. Certificate of Indian Blood
3. Credit Report(s) for ALL household members 18 and over who will be listed on the mortgage as borrower(s)
 - a. Credit reports must be dated within the last 30 days.
4. Copy of Homebuyer Education Certificate (taken within the last 3 years)
5. Verification of income:
 - a. 30-60 days pay stubs or employment verification
 - b. Last 2 year of taxes
 - c. Profit/loss statements for self-employment
 - d. Social Security Award letter for current year
 - e. Verification of VA or Retirement income
 - f. GA/TANF/Welfare award letters
 - g. Unemployment award letters
6. Rental Reference

***Incomplete applications will not be accepted. ***

SECTION 3. ELIGIBILITY

To be eligible, the applicant must meet all the following requirements:

1. Enrolled member of the CSKT
2. Housing Authority Tenant or on the Housing Authority Low Rent waiting list
3. The applicant must be able to qualify for the mortgage loan through a lender. Factors in mortgage readiness include:
 - a. Monthly debt ratio may not exceed 41% or those required by lender
 - b. Steady and reliable income
 - c. Reasonable credit history and accurate credit report
 - d. No late payments for the last 2 years
4. Lease Compliance History
 - a. Account is current. It is preferred that any account with the landlord be paid in full. However, at the time of application only, if the applicant still has an accounts receivable, the account must:
 - i. Have no less than three (3) consecutive months of payments on a payback agreement. Per Capita payments are excluded from this requirement. If the applicant is only making per capita payments toward their accounts receivable, their application will not be considered until such time that the three (3) consecutive months of payments have been made.
 - ii. Keep the payback agreement current.
 - b. At the time the applicant is approved for the program, the previous accounts receivable must be paid in full.
 - c. The applicant is in compliance with their current lease.
5. Must be a first-time homebuyer.
 - a. This is defined as head of household not owning a qualified home within the last three years. Exceptions to the first-time homebuyer rule will be considered on a case by case basis and include:

- i. An applicant that already owns, as their principal residence, a dwelling unit not in compliance with local or model building codes and other applicable codes, which cannot be brought into compliance with such codes for less than the cost of constructing or purchasing a permanent, code complying structure.
 - ii. Where an applicant has recently divorced or is legally separated and the couple jointly owned the home during the marriage. A copy of the divorce decree must be attached to the application verifying the division of property.
- 6. Must be eligible to be assigned a CSKT homesite lease.
- 7. Verification of Eligibility – Information provided on the application will be verified. This includes, but is not limited to:
 - a. Application data and supporting documents.
 - b. Any other documentation the Housing Authority deems necessary.

SECTION 4. APPLICATION SCORING

Applicants will be evaluated and prioritized by the Housing Authority staff based on the following factors.

1. Debt-to-income ratio
 - 29% or less 15 points
 - 30 – 35% 10 Points
 - 36 – 41% 5 points
2. Annual household income must include income of all persons. Forms of income may include, but not limited to, earned income, royalties, and one-time income.
 - \$ 70,001 and higher 35 points
 - \$ 60,001 - \$ 70,000 30 points
 - \$ 50,001 - \$ 60,000 25 points
 - \$ 40,001 - \$ 50,000 20 points
 - \$ 30,001 - \$ 40,000 15 points
 - \$ 30,000 and lower 10 points
3. Household consisting of United States Veteran 5 points
4. Credit Report Score
 - 750 - 850 30 points
 - 700 - 749 25 points
 - 650 - 699 20 points
 - 600 - 649 15 points
 - 550 - 599 10 points
 - 500 - 549 5 points
 - 499 and below 0 points
5. Lease Compliance History
 - Outstanding 30 points
 - Good 20 points
 - Fair 10 points
 - Poor 0 points

SECTION 5. FINANCIAL ASSISTANCE

Down payment and closing cost assistance may be provided to eligible applicants through the Flathead Finance Program (FFP). Additional mortgage subsidy will be provided based on household income and affordability.

Assistance is awarded by the Housing Authority; all mortgage documents will be filed with the CSKT Tribal Titles and Records Office. The Housing Authority will become a secondary lien holder on the property.

1. Mortgage Subsidy

- a. Amount: The subsidy amount will be calculated using the actual income and affordability of the household and availability of funding. The subsidy amount will be calculated using the following example:

\$300,000	Construction cost
(\$200,000)	Pre-approved mortgage amount
<u>(\$25,000)</u>	Financial assistance (down payment and/or closing costs)
\$75,000	Subsidy amount

- b. Range of mortgage subsidy: The range of assistance will be at a minimum of \$10,000 and a maximum of \$100,000.
- c. Terms of mortgage subsidy lien: Mortgage subsidy will be granted at a fifteen-year forgivable note. 100% must be repaid if the homeowner sells or refinances for cash-out.

2. Subordination

If an applicant wants to refinance their first loan with the creditor they must ask for subordination from the Housing Authority.

- a. Subordination is only granted once during the term of the loan.
- b. Subordination will be granted after the applicant has gone through budget/credit counseling with the FFP staff.
- c. Subordination shall only be considered if initial mortgage and second mortgage is not greater than the appraised value at the time of refinance.
- d. Request shall be made in writing to the FFP staff.

SECTION 6. APPLICABLE POLICIES

The following policies apply to all participants of Grizzly Bear Homesites:

1. Flathead Finance Program Policy
2. Criminal & Drug-Related Activity Policy
3. Grievance Policy