

BRUNSWICK COUNTY REVOLVING HOME CONSTRUCTION PROGRAM GUIDELINES

Brunswick County has experienced significant growth over the last ten years. Due to the population growth residential development and construction has been a driving force in the economy of the county. Although the number of homes constructed during the last decade has increased the housing stock significantly, most of the homes constructed have been in the medium to high price range leaving a deficit in affordable housing. The affordable housing deficit results in very limited home ownership opportunities for low and moderate income individuals and families. Between 2001 and 2006 the average sales price for existing homes increased from \$168,994 in 2001 to \$317,671 in 2006, an increase of 88 percent in five years, or an average annual increase of 13 percent. The purpose of the Revolving Home Construction Program is to make affordable homes available to individuals and families that meet the program qualification criteria. The primary eligibility requirement will be the applicant's ability to qualify for a mortgage to cover the full cost to the county to acquire a lot and construct a suitable home. The county will encourage financial institutions to participate in the program and provide flexible terms to the applicants. The County will give priority to applicants that are employed by a local government agency in Brunswick County.

1. Home Construction: Brunswick County will identify and acquire lots suitable for the construction of affordable housing units. In certain cases, a pre-qualified applicant may provide the building lot if the ownership can be documented and proof that there is no outstanding debt or liens on the property. In addition the property must be free of zoning or code violations within the jurisdiction that it is located. The owner of the lot would be required to deed the building lot to the County prior to construction of the home. The lot and home would be deeded back to the applicant at the closing. The county will select house plans that can be constructed within a cost range that would be considered affordable inclusive of the value of the lot. The county will solicit bids for the construction of each home to ensure the lowest competitive price. The county will establish the all inclusive price of the home to include water and sewer connection fees, well and septic tank installation and any permit, plan, legal or administrative fees.

2. Application Procedure: Brunswick County will solicit applications following a public notice of the availability of the housing unit. All applicants will be required to complete the application and questionnaire. Applications will be evaluated objectively by the county based on compliance with program criteria. All applicants meeting the minimum program criteria will be processed on a first come first served basis. However, priority will be given to individuals currently employed with a local government in Brunswick County to include the county, a municipality, school system, Brunswick Community College, Doshier Memorial Hospital, and sanitary districts. Applicants that do not meet the county's eligibility criteria initially may reapply upon achieving eligibility status. It is anticipated that the number of applicants will exceed the number of

homes available. Applicants that meet the county program criteria will be notified and placed on a waiting list.

3. Mortgage Application: The County will notify applicants meeting the county's eligibility criteria of all of the banks that are participating in the Revolving Home Construction Program. Applicants may select the bank or financial institution of their choice so long as that bank understands the program and agrees to work within program guidelines. From the date that the County instructs the applicant that they have met the county's eligibility criteria, the applicant shall have sixty (60) days to qualify for a mortgage from the bank or financial institution of their choice and provide written verification of the mortgage commitment to the county.

4. Contract for Sale of House: The County will enter into a contract to purchase with the applicant upon obtaining the loan commitment that will require the closing to occur within thirty (30) days from the date of the issuance of a certificate of occupancy or in the event the certificate of occupancy has been issued, 30 days from the date of the contract. An applicant that is approved for a mortgage and enters into a contract to purchase prior to the home contracted for being completed may be allowed to select final finishes to include paint and flooring colors so long as the selections are within project cost allowances established in the construction contract.

5. Closing and Payment for House: The applicant may select the attorney of their choice to conduct the closing. The applicant shall be responsible for all attorney's fees and bank fees associated with the closing. The closing attorney shall supply to the County on the closing date a check in the full amount of the housing unit. Brunswick County will use the proceeds from the sale to acquire another lot and construct another house.

6. Revolving Construction: Brunswick County will contract for the construction of affordable homes based on funding availability. The county will not incur debt to construct homes and Brunswick County will not provide financing to qualified applicants. All applicants must obtain independent financing. The county will not be party to the mortgage between the applicant and the bank.

7. Program Eligibility Requirements:

- Applicant must be a citizen of the United States and a current resident of Brunswick County and provide proof of residency.
- Applicant must be at least 18 years of age and possess a valid North Carolina Driver's License or the ability obtain one within six months.
- Applicant must be employed at the time of application and provide proof of employment.
- Applicant must not owe property taxes, utility bills or other fees or charges to Brunswick County
- Applicant must not have filed for bankruptcy within the last five (5) years
- Applicant must not have been convicted of any felony charges within the last five (5) years

- Applicant shall not have an annual household median income exceeding 120% of the county's average household median income as published annually by the U.S. Census Bureau.
- Applicant must agree to reside in the home for a minimum of five (5) years before selling the home. If due to hardship or required relocation the applicant agrees to sell the home back to the county for the original purchase price. The applicant will make all necessary repair and improvements as necessary to return unit to its original condition less normal wear and tear.
- Applicant must make application for a mortgage to the bank of their choice within 10 days of notification by the County of their program eligibility and obtain a loan commitment within sixty (60) days.
- Applicant must provide names, addresses and phone numbers of three (3) character references on their application.
- Current annual household income must be reported on the application
- All outstanding credit accounts and debt (auto loans, credit cards, etc.) must be reported on the application
- Applicants must authorize the county to conduct a criminal background check.
- Any falsification of information detected on the application will disqualify the applicant from participation in the program.