

## Baltimore County SELP Loan Program

### Next Steps After You put a Contract on a Home

Before putting a contract on a home; contact Diversified Housing Development to determine if SELP Funds are available.

Immediately after you have put a contract on a home; please email the following items to Tina Vice- [twice@diversifiedhousing.org](mailto:twice@diversifiedhousing.org), and Shavaughn Jackson- [sjackson@diversifiedhousing.org](mailto:sjackson@diversifiedhousing.org).

Purchase Price of a home can't exceed \$247,000.00 (Baltimore County Guidelines) You must use the Baltimore County Inspectors List and SELP Addendum. Documents are subject to change without notice.

#### **Funding will not be reserved without the following documents below**

Baltimore County requires 60 days for Settlements. If the contract does not allow for 60 days; you will need to get an extension. **60 days start after the Sellers signs the Contract.** Please email, mail or drop off the contract with supporting documents within 3-5 days to Tina Vice. No Screen Shots; all documents must be legible.

1. Contract and SELP Contract Addendum form must be completed and signed by all parties. SELP Addendum should be negotiated at the signing of the contract.
2. Copy of earnest money deposit, copies of all household income and bank statements for 60 days.
3. SELP Settlement Contact Information Form. All contact information must be completed.
4. A Welcome letter will be sent to all parties explaining the SELP Process
5. A copy of your Signed Mortgage Application, Loan Estimate Statement (these documents comes from your lender). SELP guidelines debt ratios are 31/43.
6. You will be required to pay \$10.00 in the form of a Money Order to cover the cost of the Certified Check.
7. Borrower must contribute 5% of Annual Household Income to the program and Assets cannot exceed 25% of Annual Household Income.
8. Please keep all pay stubs, bank statements, cancelled checks and receipts. You will be required to send these documents; until the file is sent to Baltimore County.

I have read this sheet and understand the requirements and the process described above. I will notify my counselor of any changes to the status of my situation.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date



Baltimore County  
Department of Planning

***PARTICIPATING LENDERS***  
***For 2019***

This is a list of approved lenders. Eligible buyers may contact any branch for services.

First Home Mortgage

Gateway Mortgage Group

Municipal Employees Credit Union of Baltimore, Inc. (MECU)

Hamilton Bank

PNC

Ameris Bank

First National Bank

Howard Bank

Suntrust

M & T Bank

Rosedale Federal Savings & Loan Association



## Highlights of the BALTIMORE COUNTY "SELP" Settlement Expense Loan Program \$10,000 Loan for First Time Home Buyers

This program is an effort to encourage first time homebuyers to consider home ownership in existing residential communities in Baltimore County. The program is administered by nonprofit groups and is available in designated communities. Home Buyer's Workshops and home ownership counseling are offered to potential homeowners. Settlement expense loans up to \$10,000 are available to families whose income is at or below 80% of area median, adjusted for household size:

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$52,850	\$60,400	\$67,950	\$75,550	\$81,550	\$87,600	\$93,650	\$99,700

### BUYER ELIGIBILITY

Must be a resident of Baltimore County, employed, attend school, or agree to purchase in Baltimore County. (Example: DSELP assistance from the State of MD, State of MD Disability Loan Program, etc.) Property must be located in Baltimore County.

Buyer: Agrees to provide verifiable documentation to participate. Acceptable documents: State of MD issued Driver's License or ID, employment ID, School transcript, signed contract of sale for home purchase and two utility statements.

1. Before signing a real estate contract, completes Homebuyer Education Curriculum: Two Workshop(s) & Counseling with a Baltimore County affiliated Housing Counseling Agency \*.
2. Meets Income Eligibility: 80% of area median, adjusted for household size.
3. First time homebuyer (cannot have previously owned a dwelling within the last 3 years). Exceptions can be granted for separation, divorce or death of spouse or prior ownership of documented substandard housing.
4. Qualifies for a fixed rate mortgage with a Participating Lender. (See the *Referral List*)
5. Post purchase liquid assets cannot exceed 25% of gross annual household income.
6. Gift Contributions may not exceed 3% of the sales price.
7. Buyer's proposed post purchase housing and total debt ratios cannot exceed 31% and 43%, respectively, of the gross monthly household income.
8. Has cash equal to 5% of gross household income to contribute to purchase (see below).

### PROPERTY CRITERIA

1. Existing dwelling that is owner occupied, occupied by buyer, or vacant. New construction is excluded.
2. Dwelling types: Single family detached, semi-detached, townhouse, and condominium unit.
3. Located within the mapped Community Conservation Area. This is generally described as the inner ring of suburban communities, but includes the growth areas of White Marsh and Owings Mills, and excludes rural areas.
4. Has had a satisfactory home inspection and has been certified as meeting the federal Housing Quality Standards (HQS) using an inspection firm from the County's pre-qualified list. The HQS certification provides assurance to the County that the dwelling is free from hazardous defects and meets basic standards for safety and livability. All noted deficiencies must be corrected and verified prior to SELP Loan approval. The home inspection and HQS certification fee can be included as part of the buyer's minimum cash contribution.
5. Down-payment, beyond the required minimum cash contribution specified, unless prohibited by the first mortgage lender
6. The cost of repairs required to correct HQS identified deficiencies may be included in the borrowers maximum loan amount up to \$2,500 when such repairs are done by a licensed contractor.

### SELP LOAN TERMS

1. SELP Loan Amount: Minimum \$1,000, Maximum \$10,000.
2. Buyer's minimum cash contribution: 5% of gross annual household income.
3. SELP Loan- Loan is deferred for seven (7) years ("Affordability Period"). Thereafter, the loan is forgiven after 7 years, unless sale, transfer of title or default occurs before the end of the (Affordability Period) 7 years.
4. Primary Loan- Loan principal is repayable upon the earlier to occur of sale, transfer, refinance, default on primary loan, or discontinuance of borrower occupancy in the home.
5. If the property is being purchased as leasehold, the ground rent must be redeemed using closing cost funds.

Note: Official *SELP PROGRAM GUIDELINES & PROCEDURES* adopted by the Baltimore County Office of Planning take precedence and clarify the details of the information presented here.

= **EQUAL HOUSING LENDER** =

Baltimore County -Department of Planning-Housing Opportunities Program  
105 W. Chesapeake Ave/Suite 201  
Towson, MD 21204 410-887-6055; Fax: 410-853-1880

Revised June 29, 2019 (income limits updated annually)

Purchase Price can't exceed \$247,000.00

Contact Diversified Housing @410-496-1214





Baltimore County - Office of Planning  
Settlement Expense Loan Program- "SELP "  
**BALTIMORE COUNTY SELP PROGRAM**  
**Second Mortgage Application**

*Please type or print*

Date: \_\_\_\_\_

1. **BORROWER (S)** Full name with middle initial

Name(s) A \_\_\_\_\_

B \_\_\_\_\_

2. **CURRENT ADDRESS** \_\_\_\_\_ Zip \_\_\_\_\_

Current Rent \$ \_\_\_\_\_ Telephone ( ) \_\_\_\_\_

3. **HOUSEHOLD COMPOSITION** - List each person who will live in the home.

Last Name, First Name	Relationship	Birth Date	Age	Sex	Social Security #
1.	Head of HH				
2.					
3.					
4.					

4. **HOUSEHOLD INCOME** - Anticipated Annual Income (*projection of the next 12 months*)

Complete with counselor, for *all* members of the household over 18 years of age.

Household Member (18 years and older) CIRCLE INCOME TYPE:	A) Wages: Salaries Overtime Bonus	B) Periodic Benefit: Social Security SSI Pension	C) Public Assistance: AFDC	D) Other: _____ Child Support Unemployment Insur. Workmen's Comp.
	\$	0	0	0
	\$	\$		
<b>SUB-TOTALS</b>	<b>A.\$</b>	<b>B.</b>	<b>C.</b>	<b>D.</b>

Total Gross Annual Household Income: boxes a. thru d:

Do you anticipate any changes in the above income in the next 12 months? \_\_\_\_\_ If so, please explain:

5. **HOUSEHOLD ASSETS** (Only **income** from assets is counted towards income eligibility.)

Asset Types: Savings Account, Checking Account, Certificate of Deposit (CD), Money Market, Stocks, Bonds, IRA  
or Retirement Account, Real Property or Other.

Household Member	Asset Description	Name of Financial Institution & Branch	Cash Value	Annual Asset Income Received
				0
<b>TOTAL</b>			\$	E. \$

Do you anticipate any changes in the above asset income in the next 12 months? NO If so, explain:

The SELP Program Regulations state that: *"Households must qualify at the time of application and settlement"*. **If the household income or composition changes between the time of application and settlement date, you must notify the housing counselor for re-certification.**

**6. FIRST TIME HOME BUYER DECLARATION** (Initial the proper line)

\_\_\_\_\_ I / We, declare that we are first time home buyers  
\_\_\_\_\_ I / We, the applicant(s), have NOT owned a dwelling within the last three years, OR  
\_\_\_\_\_ I / We, qualify for an exception as a first time homebuyer due to separation, divorce, widowed, or as prior owner of manufactured or sub-standard housing. (Circle exception that applies and provide documentation).

**7. SIGNATURES**

**I / We declare under penalty of perjury the above information, provided to the Baltimore County – Department of Planning, is true and complete to the best of my knowledge.**

Borrower Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Co- Borrower Signature: \_\_\_\_\_ Date: \_\_\_\_\_

-----  
**The housing counselor to complete following sections**

**8. PROPERTY UNDER CONTRACT**

Address \_\_\_\_\_  
Community \_\_\_\_\_ Zip \_\_\_\_\_  
Contract Price \$ \_\_\_\_\_ Deposit amount \$ \_\_\_\_\_  
Expected Settlement Date \_\_\_\_\_  
Dwelling Type: \_\_\_\_\_ Detached \_\_\_\_\_ Semi-Detached, \_\_\_\_\_ Townhouse, \_\_\_\_\_ Condominium. Bedrooms \_\_\_\_\_

**9. INCOME ADJUSTMENTS** – ChildCare, Full Time Student or Allowable Exclusion.

Monthly amount: \$ \_\_\_\_\_ Annual estimated cost: \$ \_\_\_\_\_

**10. ANNUAL INCOME (as defined by State of Maryland ) is:**

**INCOME CALCULATION** - Calculate gross annual income for each household member:

a. Gross Total Annual <b>Household</b> Income (from # 4)		\$ _____
b. Plus Annual Asset Income (from # 5)	+	\$ <u>0</u>
c. Minus Income Adjustments (from # 9)	-	\$ <u>0</u>
<b>TOTAL ANNUAL HOUSEHOLD INCOME for Loan Eligibility</b>		\$ _____

## 11. ELIGIBILITY CERTIFICATION

Household Size	1	2	3	4	5	6	7	8
Income Limit	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

We certify the income sources provided by the borrower(s) meet income, household eligibility as determined by FEDERAL HOME Program regulations, and the eligibility established in *Baltimore County SELP Guidelines & Procedures*.

Borrower's Signature \_\_\_\_\_ Co-borrower \_\_\_\_\_

Housing Counseling Agency Diversified Housing Development

Homeownership Counselor \_\_\_\_\_

Agency Approval Signature & (title) \_\_\_\_\_

Date \_\_\_\_\_