

Kalispel Tribe Housing Office Homebuyer Assistance Program

1. **Purpose:** For many tribal members, homeownership is a significant component for individual fulfillment and family stability. For many reasons, dreams of homeownership are beyond the reach of many tribal members. In an effort to overcome some of these barriers, the Kalispel Tribe Housing Office (KTHO) has developed a homebuyer assistance program that will facilitate many tribal members in achieving the dream of homeownership. The amount available annually will be determined by available resources and the Kalispel Business Committee.
2. **Description:** The KTHO will provide homebuyer assistance to any eligible tribal member using resources other than the tribal credit funds. Amounts available to tribal members:
 - a. First-time homebuyers are eligible to apply for \$10,000 of assistance.
 - b. Previous homebuyers are eligible to apply for \$5,000 of assistance.
 - c. Refinance assistance to help with closing related fees up to \$3,500.
3. **Definitions:**
 - i. **First Time Homebuyer:** An applicant who has not been provided homebuyer assistance or owned a home provided by the Kalispel Tribe of Indians or another person or financial institution.
 - ii. **Previous Homebuyer/Non-First-Time Homebuyer:** An applicant who has previously been served as a homebuyer by the Kalispel Tribe of Indians, or who has previously owned a home financed by another person or financial institution. Served by the Kalispel Tribe of Indians includes other homebuyer programs, such as Tribe financed homes or Mutual Help Program assisted homes.
 - iii. **Refinance Assistance:** Assistance provided to applicant to include closing related costs and fees such as points, appraisal cost, processing and origination fees, etc. Refinance assistance is not for paying down the amount borrowed.
 - iv. **Tribal Credit Officer/Housing Coordinator:** May be used to mean one or both individuals depending on work load of each to better meet the needs and timelines of the applicant and their financial institution.
4. **Eligibility:** In order to be eligible for homebuyer assistance, the following criteria must be met:
 - a. Applicant must be an enrolled member of the Kalispel Tribe of Indians.
 - b. Applicant must be at least 18 years of age.
 - c. The proposed home or home site must be located within the lower 48 states and as defined in the Kalispel Tribal Service area.

- d. The proposed home or home site must be the primary residence of the applicant.
 - e. Mortgages made by outside financial institutions, of which the homebuyer assistance will assist with closing costs; a cursory review will be done by KTHO.
 - f. Applicant must demonstrate capacity to make adequate monthly payments to meet terms of mortgage/purchase agreement as determined by KTHO.
 - g. Low-Income-Eligible Applicants: Applicant must meet or not exceed HUD program annual income limits, using the National Median Household Income limits published by HUD each year.
 - h. Over-income Applicants: Applicant whose income is over the HUD stated median income will be considered for assistance if they meet the eligibility requirements above, as long as there are tribal funds budgeted and available, that are NOT HUD restricted, based on HUD income guidelines.
5. **Special Conditions:** The homebuyer assistance program is a benefit available to all eligible tribal members. The following limitations apply to the Homebuyer Assistance Program:
- a. The program is not available for paying down the principal of existing mortgages that occurred prior to the implementation of the program. In these cases the refinance assistance will be made available if the applicant desires to refinance their existing loan to acquire more favorable loan terms.
 - b. In the event a recipient of this benefit does not maintain occupancy of the home or home site for which this benefit is designated for a minimum of five years, a pro-rated repayment schedule developed by the Tribal Credit Office will be imposed upon the recipient. Conditions of occupancy include maintaining the assisted home/home-site as the eligible member's primary residence for a minimum of nine months in any calendar year.
 - c. The maximum amount available under this program for a single home loan is \$10,000 for first time homebuyers or \$5,000 for non-first-time homebuyers. The maximum amount available for refinancing is up to \$3,500. If two or more members of a household are eligible (Item 3) for homebuyer assistance, the eligible members must designate one member of the household in whose name the assistance will be provided. This designee must be signatory to the loan instruments. Other eligible members will continue to be eligible for the program if and when they are interested and ready to submit their own homebuyer assistance application, as long as they meet all other program eligibility requirements.
 - d. Development of rental properties is specifically excluded from the homebuyer assistance program. In no instance can homes or home sites purchased under this program be used as rental properties during the five-year occupancy requirement. In the event of unusual circumstances, the homebuyer may make a written request to the Kalispel Tribe Business Council (Housing Board) for consent to use the home as a rental property, but such consent must be obtained prior to any such use. Failure to comply with this condition will result in pro-rated repayment of the homebuyer assistance as described above.

- e. Payment(s) under the homebuyer assistance program will be made only to third-party vendors. In no instance will checks be issued in the name of the tribal member under this program.
 - f. KTHO is responsible for determining the eligibility of a home or home-site under this program. Other special conditions may apply to the purchase of undeveloped land, duplexes (or other multi-family housing) and similar circumstances, such as:
 - 1) For duplexes or multi-family housing, the family will be living in one of the units as their primary place of residence. The other unit(s) will be used as income generating property or be made available for family or extended family.
 - 2) Undeveloped land will be developed within one year of purchase including putting a primary place of residence on the land.
 - g. In the event of the death of the designated eligible recipient, all conditions related to repayment of the homebuyer assistance are waived. These conditions may also be waived in the event of unusual circumstances as determined by the Housing Manager, the Tribal Administrator or the Kalispel Housing Board.
 - h. Tribal members may receive each benefit (first time home buyer, previous home buyer and refinance assistance) only once.
 - i. KTHO will follow the Kalispel Tribal Housing Policy Part 18, Standards of Conduct (Code of Ethics) section.
6. **Procedure:** The Housing Manager or their designee is the primary point of contact for the homebuyer assistance program.
- a. Applicants must provide documentation of eligibility for homebuyer assistance to the Housing Manager. Documentation includes verification of tribal enrollment and verification of income. They must complete a pre-approval Homebuyer counseling session with a KTHO employee to determine eligibility.
 - b. Upon determination of eligibility, the Housing Manager will provide the applicant with a signed letter stating the amount applicant is eligible to receive from the KTHO for homebuyer assistance for the purchase of a home or home site. This letter will be valid for six months from date of issuance.
 - c. Upon determination of eligibility, the applicant is responsible for initiating the following process:
 - 1) Locate an appropriate home or home site consistent with the eligibility criteria listed in Item 3 of this Policy. If home site is located on Trust property, an approved land lease will need to be entered into prior to approval of the homebuyer assistance.
 - 2) An Indian Health Service application for water/sewer services needs to be submitted for approval to coordinate water/sewer services for land located on Trust property. Note that if HUD funds are used for development on Trust

property, Indian Health Service may not provide all of the water and sewer services but instead will put a limit on how much they are able or willing to pay towards the infrastructure services. The balance will have to be paid for by the homebuyer.

- 3) Negotiate a purchase price consistent with fair market value as determined by an appraisal (at the discretion of the Housing Manager or Tribal Credit Officer, the Kalispel Tribe may procure and provide appraisal services as a benefit separate from the homebuyer assistance program).
- 4) Establish eligibility for credit from the mortgage lender, owner or similar entity authorized to enter into a contract for the purchase of the home or home site.
- 5) Obtain a copy of proposed loan agreement/contract and provide a copy of the document to the Housing Office.
- 6) The Housing Manager and/or the Tribal Credit Officer will review the document and determine its consistency with standard practices for mortgage lending. Upon review of the document, the Housing Manager and/or the Tribal Credit Officer will either approve the document format or assist the applicant in developing and changing objectionable or ambiguous items within the document.
- 7) Upon development of an acceptable mortgage loan/purchase document, the Housing Manager and/or the Tribal Credit Officer will review the financial capacities of the applicant in consideration of the terms and conditions of the proposed contract. In the event the Housing Manager and/or Tribal Credit Officer determines the applicant does not have the current capacity to meet the terms and conditions of the proposed contract, every reasonable effort will be made to assist the applicant in developing the required capacities. If these efforts are unsuccessful, the Housing Manager will inform the applicant that the homebuyer assistance program cannot be utilized under the terms and conditions of the documents reviewed by the Housing Manager and/or Tribal Credit Officer and will send a letter to the proposed lender stating the same.
- 8) As soon as the acceptability of loan instruments is determined and the capacity of the applicant to meet the terms and conditions of the loan agreement is established, the Kalispel Tribal Finance Office will issue a check in an amount approved by the Housing Manager payable to the mortgage lender, owner or other entity authorized to enter into a contract for the purchase of a home or home site with the applicant.
- 9) In some cases, the interests of the Tribal members approved under all items described above might best be served through the issuance of more than one check for specific items such as closing costs, appropriate fees associated with the loan and other one-time costs. The Housing Manager may, at their discretion, request checks in various amounts to appropriate entities as described above. However, the total amount of checks issued for a single loan under the homebuyer assistance program will not exceed \$10,000 for

first time homebuyers or \$5,000 for non-first-time homebuyers; or \$3,500 for refinance loans.

7. **Required Documents:** The required documents for the homebuyer assistance program include:
 - a. KTHO Homebuyer Assistance Program Application
 - b. Verification of Kalispel Tribe of Indians Enrollment
 - c. Mortgage/Loan Application or Loan Agreement
 - d. Appraisal for Property to be purchased for existing homes or land acquisitions
 - e. Approved Land Lease, if home is to be built on Trust Property
 - f. Environmental Review Checklist for site to be purchased