

City of College Park New Neighbor Homeownership Grant Program

Program Summary

The City of College Park is offering \$5,000 in down payment or closing cost assistance, on a first-come, first-served basis, to encourage the conversion of previously rented single-family properties, which have been rented for two years or more, to owner-occupied housing. Additionally, to address the proliferation of short sales and foreclosed properties in the City, the New Neighbor Program can also be used for purchasing single-family homes and condominiums that are being sold as short sales or that are in foreclosure, for use as primary residences by the purchasers. Lastly, to encourage police officers, career and volunteer firefighters, emergency medical technicians and city employees to make their homes in College Park, the New Neighbor Program can be used by these individuals to purchase any City property. Funds are provided at settlement for use toward purchase of the property and these funds may be combined with other federal, state and local homeownership assistance programs.

Eligibility

1. Anyone purchasing a single-family home within the City of College Park that was previously rented for a minimum of two years OR anyone purchasing a single-family home or condominium unit that is in foreclosure or short sale status, is eligible for a \$5,000 grant.
2. City employees, full-time certified police officers employed by the State of Maryland, the University of Maryland, the Washington Metropolitan Area Transit Authority (WMATA), Prince George's County and Maryland-National Capital Park and Planning Commission OR career firefighters and full time emergency medical technicians (EMTs) who are employed in Prince George's County and bona fide members of volunteer fire departments in Prince George's County who can provide certification for their department, are eligible for a \$5,000 grant toward the purchase of any single-family home or condominium within the City regardless of whether it is or has been a rental, or is under foreclosure or being sold as a short sale.

Program Obligations & Requirements

1. Grant funds can only be used toward purchase of the property. The funds will be paid at the time of settlement.
2. Applicants must agree to live in the property for a minimum of 5 years. If the property is sold anytime during the first 5 years, the pro-rated portion of the balance of the grant shall be immediately due and payable to the City. If at any time during the five year period the property ceases to be owner occupied, the entire original grant amount shall become due.

3. Applicants must sign a *Declaration of Covenants and Conditional Repayment Agreement* at settlement. Upon disbursement of grant funds, a lien will be placed on the property for a period of 5 years.
4. Recipients of a College Park homeownership grant will be required to complete an annual certification form provided by the City stating they are in compliance with the terms of the grant.
5. Five years after the date of purchase, the owner(s) will be under no obligation to repay grant funds and the lien will be removed by the City.
6. The College Park homeownership grant may be taxable income, and the applicant is encouraged to consult with a financial advisor or the IRS to determine the status of these funds.
7. Applicants must maintain appropriate homeowner's insurance on the property at all times and provide an insurance certificate, naming the City as an additional insured at the time of settlement.

Application Process

1. Complete and submit the attached application forms and all required documentation to the City of College Park Planning Department at least two weeks prior to your scheduled settlement date.
2. If you are approved for a College Park homeownership grant, you should check with your mortgage company to see how the grant will be treated in the qualification process.

Definitions

1. **Condominium:** A unit of real property which is the air space which an apartment occupies. The owner of the condominium also owns a common tenancy with owners of other units in the common area, which includes all the driveways, parking, elevators, outside hallways, recreation and landscaped areas, which are managed by a homeowners' or tenants association.
2. **Owner-Occupied Property:** An owner-occupied property is a property which is the owner's permanent, year-round residence and which may be occupied by the owner's family and no more than two other individuals who lease space from the owner.
3. **Foreclosure:** The process by which a bank takes back property because the money owed for the property has not been paid.
4. **Short Sale:** The process by which a lender agrees to release the lien that is secured to the property upon receipt of less money than is actually owed. A short sale may occur when the current owner is unable to meet the mortgage payments. By forgiving the balance of the debt, the lender may avoid the expenses and efforts involved in foreclosure.

5. **Single-Family Property:** A building containing only one dwelling unit, which may be detached or attached, that is used as a complete and independent living facility for one family, which includes permanent provisions for living, sleeping, eating, cooking and sanitation.
6. **Rental Property:** A non-owner occupied property which has been rented to a person or persons for a period of two or more years, or an owner-occupied property which has been rented by three or more individuals for a period of two or more years.

For additional information contact Theresheia Williams at 240-487-3538 or via e-mail at twilliams@collegetparkmd.gov.

**City of College Park New Neighbor
Homeownership Grant Program Application**

I. Applicant Information

I hereby apply for a College Park homeownership grant in the amount of \$5,000.

Name: _____

SS#: _____

Phone, fax, email: _____

Present Address: _____

City: _____ State: _____ Zip Code: _____

Name and Address of Employer _____

Names of others to appear on the deed: _____

II. Property Information:

Address of property being purchased: _____

I am purchasing a single-family rental property that was previously rented for a minimum of two years.

Yes No Rental Documentation Attached

I am purchasing a single-family or condominium property that is being sold as a short sale

Yes No Provide documentation.

I am purchasing a single-family or condominium property that is being sold under foreclosure.

Yes No Provide documentation.

III. Required Documentation

The following documents are required to be submitted with your grant application:

1. Copy of the mortgage application
2. Copy of the mortgage commitment letter.
3. Document stating the name, address and phone number of the person conducting the settlement and the settlement date.
4. A certificate of insurance naming the City of College Park as an additional insured on your homeowner's policy (may be provided at settlement).
5. If applicable, documentation that the property being purchased has been a rental property for at least the previous two years. Acceptable documentation includes copies of city rental licenses, rental receipts, copies of leases, signed affidavits from tenants, adjoining property owners, etc.
6. If applicable, documentation that the property being purchased is in foreclosure or is a short sale.
7. If applicable, a copy of the Employer Verification Form.

I hereby certify under penalty of perjury that the documents I have provided are true and correct and that the property being purchased will be used as my primary residence.
(All persons on deed must sign).

Signature

Date

Signature

Date

Signature

Date

Signature

Date

