

SHIP - HOMEBUYER ASSISTANCE STRATEGY ACKNOWLEDGEMENT

- A. Summary of Strategy: Funding assistance for the purchase or construction of a single-family, residential, owner-occupied property, including condominiums and townhouses
- B. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- C. Income Categories to be served: Very Low, Low, Moderate, and households up to 140% AMI
- D. Maximum award: \$65,000.00
- E. Terms:
 - 1. Deferred Loan: Secured by a recorded note and mortgage
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 30
 - 4. Forgiveness: N/A
 - 5. Repayment: Full payment at maturity or default; otherwise, none due as long as the loan is in good standing.
 - 6. Default: The loan will be due and payable in full upon maturity, sale, rental or transfer of the property, failure to comply with the terms of the SHIP mortgage, the property ceases to be the primary residence of the recipients, as evidenced by homestead exemption, loss of homestead exemption, foreclosure or death of the last surviving homeowner. In the event of the death of the last surviving homeowner, any income eligible heir residing in the home may assume the SHIP Loan as long as they can obtain title to the entire property within one (1) year of the death of the last surviving homeowner and the first mortgagee consents to the heir assuming the SHIP loan. In the event of divorce by the occupants married to each other and after title has been vested, so long as one of the original owners remains on the title and holds a homestead exemption, the party remaining in the home shall be considered in compliance with the existing terms and conditions of the SHIP Loan.
- F. Recipient Selection Criteria: Eligible applicants will receive assistance on a "First Qualified, First Served" basis with the following priorities. First priority for funding will be given to eligible applicants that meet both the definitions of Special Needs (Section 420.0004 (13), Fla. Stat.) and Very Low-Income. Second priority for funding will be given to eligible applicants that meet the definitions of either Special Needs (Section 420.0004 (13), Fla. Stat.) or Very Low-Income. Third priority for funding will be given to eligible applicants that meet the definition of Essential Service Personnel, as defined herein. Applicants who do not fall into the above categories and who have been determined to be income eligible for program assistance will be placed on a waiting list according to their income (lower is higher in priority). Applications for Homebuyer Assistance must include:
 - 1. A contract for the purchase of an existing housing unit or one under construction. An "under construction" housing unit shall be defined as having a building permit and pilings/foundation complete and inspected.
 - 2. A lending institution pre-qualification letter for the amount to be financed which may assume up to a \$65,000.00 SHIP loan.
 - 3. An affidavit from the Seller in the event this is a unit under construction, indicating the delivery date of the housing unit (cannot be more than five months from the date of the SHIP approval).Applicants who fail to submit complete applications, who do not meet SHIP threshold

requirements or cannot close due to financing or any other reason, may not reapply for SHIP assistance until the following application cycle.

G. Sponsor Selection Criteria: N/A

H. Additional Information:

1. Buyer(s) must contribute a minimum of one percent (1%) of the sales price as a cash contribution to the purchase. The 1% may be comprised of title insurance, appraisals, inspections and/or closing costs.
2. Property must meet minimum health and safety standards as defined under the U.S Department of Housing and Urban Development's Housing Quality Standards (HQS). Any HQS deficiencies must be corrected prior to or as part of the purchase transaction. In the case of new construction, a Certificate of Occupancy (CO) may be substituted for the HQS inspection. Mortgage loans to public entities, which retain ownership of the land under the terms of a ground lease, shall extend to the improvements.
3. Homes must be financed utilizing funding from a federally insured financial institution subject to the limited exceptions described herein. The County may authorize the following exceptions: 1) non-profits entities that are self-funded; or 2) other financing issued by a non-federally insured financial institution as approved in writing by the SHIP Administrator, or designee, with the condition that the SHIP Mortgage is issued as the first mortgage, with superior priority to any other funding source.
4. When a State or Federal funding source is used, Monroe County SHIP mortgage may be in a junior position to any additional State or Federal funding source. Monroe County SHIP will maintain a superior mortgage position to any other municipalities' contribution to the transaction.
5. Monroe County SHIP may subordinate to primary mortgage refinancing pursuant to Monroe County Board of County Commissioner's Resolution No. 078-2002, as may be amended from time to time. Consistent with the current Resolution, the following conditions must exist: i) the proposed primary mortgage loan has a rate or other terms that are an improvement in the rate or terms of the existing primary mortgage loan; ii) the amount of the new refinanced mortgage does not exceed the amount of the existing primary mortgage payoff and the closing costs as documented on the ALTA settlement statement; and iii) the sum of the proposed primary mortgage and the existing SHIP mortgage loan does not exceed 105% of the value of the property as reflected on a property appraisal.
6. No assumptions (or assignments) are allowed for existing SHIP Homebuyer Mortgage Loans except as otherwise provided herein (i.e. death of the last surviving homeowner/resident heir ownership).
7. **SHARED APPRECIATION PROVISION:** All SHIP funds under this strategy are subject to a mortgage that shall contain recapture provisions which provides for shared appreciation between the buyer(s) and the Monroe County SHIP Program.
 - a. The amount due to Monroe County upon sale or transfer of the property shall be calculated by adding the sum of the principal balance of the SHIP loan plus a percentage of the appreciated value of the Property as determined under the shared appreciation scale below ("Shared Appreciation Scale"). The Shared Appreciation Value shall be calculated as the difference between the original purchase price of the Property and the sales price, minus the documented value of any permitted improvements made to the Property, minus any reasonable closing costs.

- b. The amount due to Monroe County upon a refinancing for payoff of SHIP funds shall be calculated by adding the sum of the principal balance of the SHIP loan plus a percentage of the appreciated value of the Property as determined under the shared appreciation scale below ("Shared Appreciation Scale"). The Shared Appreciation Value shall be calculated as the difference between the original purchase price of the Property and the total cumulative mortgage amount(s) (i.e. new plus outstanding mortgages, if any) or the County Property Appraisers assessed value whichever is greater minus the documented value of any permitted improvements made to the property less any reasonable closing costs.
- c. Documented improvements for the Property are those improvements represented on the Monroe County Property Appraiser's website. Housing units constructed utilizing Affordable Housing Deed Restrictions, which restrict the appreciation of the Property's value, shall not be subject to the Shared Appreciation Provision.

Shared Appreciation Scale

When the SHIP Loan is subject to Shared Appreciation repayment pursuant to this Section, the amount due to Monroe County will include a percentage of the appreciated value as outlined in the following Schedule:

| Year Sold (within the listed year) | Shared Percentage |
|------------------------------------|-------------------|
| 1 st -5 th | 50% |
| 6 th | 45% |
| 7 th | 40% |
| 8 th | 35% |
| 9 th | 30% |
| 10 th | 25% |
| 11 th | 20% |
| 12 th | 15% |
| 13 th | 10% |
| 14 th | 5% |
| 15 th + | 0% |

_____/_____
Signature(s) of Applicant / Co-applicant

_____/_____
Printed Name(s)

Date: _____

WARNING: Florida Statute 817 provides that willful false statements or misrepresentation concerning income, asset or liability information relating to financial condition is a misdemeanor of the first degree, punishable by fines and imprisonment provided under Statutes 775.082 or 775.083.