



Justin Elicker  
Mayor

**City of New Haven**  
**Office of the Economic Development Administrator**  
**165 Church Street**  
**New Haven, Connecticut 06510**



Michael Piscitelli, AICP  
Economic Development  
Administrator

**REQUIRED DOCUMENTS**  
**TO BE RETURNED WITH DOWN-PAYMENT LOAN APPLICATION**

\_\_\_\_\_ \$25.00 Application Fee made payable to "Treasurer" City of New Haven

\_\_\_\_\_ EDA Application - Completely filled out with signatures

**Required forms enclosed with application**

- Non-Collusion Affidavit ● Disclosure 1421 Affidavit ● Demographic form ● Authorization for Release of Records ● Occupancy Certification Form ● No Children Under 6 Affidavit ● Disclosure Form for Target Housing Sales ● Purchase Mortgage Certification

\_\_\_\_\_ Income Verification, provide one of the following for each applicant:  
**Financial information must be provided for all household member that receive income.**

- Two years Tax Returns including W-2's if applicable
- Two Years SSA 1099 from Social Security, if applicable
- Current Social Security monthly benefit and /or Pension, if applicable

\_\_\_\_\_ Consecutive pay stubs (4)

\_\_\_\_\_ 3 months Bank Statements

\_\_\_\_\_ Copy of Photo Identification and Social Security Card

\_\_\_\_\_ Complete First Mortgage Package from Lender: (1008,1003, LE, Credit Report, Appraisal and Commitment)

\_\_\_\_\_ Copy of the Home Inspection Report (Required) to include Radon Testing  
**No waiver of inspection report will be allowed**

\_\_\_\_\_ 1<sup>st</sup> Time Homebuyers Certification Certificate

\_\_\_\_\_ Proof of all monies paid. (ie: deposit, appraisal and inspection fees)

**ALL DOCUMENTATION MUST BE INCLUDED IN YOUR APPLICATION TO BE ACCEPTED FOR PROCESSING. PLEASE SCHEDULE AN APPOINTMENT WITH DEBBIE GOLIA TO RETURN YOUR APPLICATION AT (203) 946-8389 OR [DGOLIA@NEWHAVENCT.GOV](mailto:DGOLIA@NEWHAVENCT.GOV). PROCESSING TIME IS 8 TO 10 WEEKS FROM RECEIPT OF THE COMPLETE APPLICATION.**

**Please note: that the following documentation will be required prior to closing:** Verification of property insurance (Homeowners Insurance policy) ● The City of New Haven must be named on the insurance Policy as a 2nd Mortgagee. The specific language is as follows: "City of New Haven, its successors and assigns, ATIMA, Economic Development, 165 Church Street, New Haven, CT 06510"



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***Down Payment/Closing Cost Assistance Loan Program***

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***What is it?***

Financial assistance for first-time homebuyers for down payment and closing costs. The amount of assistance is up to **\$20,000\*\*** which assistance cannot exceed twenty percent (20%) of the purchase price of a single family (1-4) housing unit. The City will provide a **zero (0%) interest forgivable loan** that is forgiven at the rate of 20% per year, as of each anniversary of the loan's execution date. At the end of the five-year loan period the loan is fully forgiven. The applicant may sell or transfer the property at any time during the monitoring period; provided the balance of the loan is repaid to the City of New Haven or the property is sold /transferred to an individual who is willing to assume the balance and the terms and conditions of the loan. The deferred loan can be used for: down payment, closing cost or the combination of both down payment and closing cost.

**\*\* If the homebuyer is:**

- Meets the 300% Federal Poverty Guidance (FPG) the homebuyer will be provided an **additional \$30,000** toward down-payment assistance
- Municipal Employee for the City of New Haven, Teachers, Firefighter, Military or Police Officer, a buyer of a City of New Haven owner/developed property the homebuyer shall be provided an **additional \$2,500** toward down-payment assistance.

***What property qualifies?***

The 1-4 four family properties being purchased must be in New Haven, and must comply with all applicable Federal, State and local laws, and serve as the buyer's primary residence. Investment properties are not eligible. Home Inspection is required within the sales contract required time frame. Property must meet HOME affordable homeownership limits for the area provided by HUD, determine 95 percent of the median area price. **Property has equity to secure the loan with no more than 100% debt to value ratio.**

***Who can qualify for a loan?***

*The buyer's household income must not exceed 120% of area median family income (AMI HUD) or 300% federal poverty guidance (FPG Treasury) for the New Haven/Meriden MSA, as adjusted for family size.* The buyer must also be current on real and property taxes and must have already attained first mortgage financing commitment for the purchase of the home. In addition, the buyer must contribute a minimum of 2% of the purchase price of the property from his/her own or other non-City resources (Gifts/grants/loan programs). House expenses cannot exceed 37% (not including proposed rental income) of the buyer's total household income (mortgage, taxes and insurance) to remain affordable per the HUD definition.

***What restrictions come with loan allocation?***

**The owner must occupy** the home for the full term of the loan as his/her primary residence. First-time homebuyers must successfully complete a homebuyer-training seminar approved by the City.

Applicant Only:

Date:

Program Consent and Acceptance Form

I, \_\_\_\_\_ have reviewed the above summary and the City of New Haven has explained the process and requirements in full for the program I have applied for funding under Down payment and Closing Costs.

Applicant

Applicant

\_\_\_\_\_

\_\_\_\_\_



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**DOWNPAYMENT AND CLOSING COST  
LOAN APPLICATION**

DATE \_\_\_\_\_

The information collected below will be used to determine whether you qualify as a borrower under the City of New Haven's Economic Development Housing & Community Development. It will not be disclosed outside this office without your consent except to your employer for verification of income and employment and to financial institutions for verification of information, and as required and permitted by law.

Have you and/or the co-applicant ever received a loan/grant from the City?  Yes  No

If so, why and property location: \_\_\_\_\_

When \_\_\_\_\_ How much \_\_\_\_\_ Was it paid off? \_\_\_\_\_

**Property of Interest:** \_\_\_\_\_

**Applicant's Name:**

Last \_\_\_\_\_ First \_\_\_\_\_ Middle \_\_\_\_\_

Cell Phone (\_\_\_\_) \_\_\_\_\_ SS# \_\_\_\_\_ Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  Own  Rent  
Current Street Address City State No. of Years

If at current address less than 2 yrs.:

\_\_\_\_\_  Own  Rent  
Former Street Address City State No. of Years

Marital Status:  Married  Unmarried (single, divorced or widowed)  Separated

Self Employed?  Yes  No If yes, name location of business: \_\_\_\_\_

---

Name, Address and ZIP code of Employer

---

Business Phone No.      Position/Title      Type of Business    Yrs. On Job    Yrs. In this line of work

---

Name, Address and ZIP code of Previous Employer (if at position less than 2 yrs.)

---

Business Phone No.      Position/Title      Type of Business    Yrs. On Job    Yrs. In this line of work

**Co-Applicant's Name:**

Last \_\_\_\_\_ First \_\_\_\_\_ Middle \_\_\_\_\_

Cell Phone ( \_\_\_\_\_ ) \_\_\_\_\_ SS# \_\_\_\_\_ Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_ [  ] Own [  ] Rent  
Current Street Address      City      State      No. of Years

If at current address less than 2 yrs.:

\_\_\_\_\_ [  ] Own [  ] Rent  
Former Street Address      City      State      No. of Years

Marital Status:      [  ] Married    [  ] Unmarried (single, divorced or widowed)    [  ] Separated

Self Employed? [  ] Yes [  ] No If yes, name location of business: \_\_\_\_\_

---

Name, Address and ZIP code of Employer

---

Business Phone No.      Position/Title      Type of Business    Yrs. On Job    Yrs. In this line of work

---

Name, Address and ZIP code of Previous Employer (if at position less than 2 yrs.)

---

Business Phone No.      Position/Title      Type of Business    Yrs. On Job    Yrs. In this line of work

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under this program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not, your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et, seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. Seq., or 7 USC, 1921 et. Seq., (if USDA/FMHA). I/We hereby acknowledge that I/we have received a copy of the Privacy Act Notice.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

Signature of Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_

**GENERAL DISCLOSURE**

I affirm that I am neither an Economic Development Employee, an elected official of the City of New Haven, or related to any City of New Haven Employee or anyone with power of control over the process herein administered, nor a member of the household of any of the above.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

Signature of Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_

IF YES: NAME OF EMPLOYEE: \_\_\_\_\_  
RELATIONSHIP \_\_\_\_\_

The information provided in this application is true and complete to the best of my/our knowledge and belief. I/We consent to the disclosure of all information necessary and reasonably relative to the review and processing of this application and supporting documentation related to my/our application for financial assistance. I/We permit the City of New Haven to access first mortgage information and any other relevant information pertaining to this application and as it applies to this loan. I/We understand that any misstatement of a material fact shall be grounds for disqualification.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

Signature of Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_

**\*\*The City of New Haven is an equal housing opportunity assistance provider. No person shall, based on race, color, religion, gender, sexual orientation or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of Housing and Urban Development. \*\***





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*Economic Development  
Administrator*

Date:

I \_\_\_\_\_ give permission for my Lending Institution  
(Borrower(s)

\_\_\_\_\_ to provide The City of New Haven a copy of

my/our credit report.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date



CITY OF NEW HAVEN  
BUREAU OF PURCHASES



Justin Elicker  
Mayor

Malinda Figueroa  
Purchasing Agent

200 ORANGE STREET  
ROOM 401  
NEW HAVEN, CONNECTICUT 06510  
Tel. (203) 946-8201 - Fax. (203) 946-8206

**NON-COLLUSION AFFIDAVIT  
(INCLUDING DISCLOSURE OF OBLIGATIONS TO/INTEREST IN BUSINESS WITH THE CITY OF NEW HAVEN)**

I/We known as \_\_\_\_\_ (Name) personally appeared who being duly sworn, deposes and says that:

1. I am over the age of eighteen and I understand the obligation of an oath.
2. I am the \_\_\_ Owner or \_\_\_ Tenant or \_\_\_ Buyer of \_\_\_\_\_, New Haven, CT that I/We submitted an application, to the City of New Haven for an Economic Development program, (the "Application) and I am acting in (check one)  my individual capacity; OR  if an entity, on behalf of the entity.
3. I am fully apprised of the contents of the Application and all pertinent facts and circumstances relative to the Application, and the Application is genuine and is not collusive or a sham.
4. The amounts in the Application for the Economic Development Program are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the individual or entity or any of its officers, partners, owners, agents, representatives, employees, affiliates, or parties in interest, including this affiant.
5. No alderman or other elected or appointed or city, state, or federal employee or person or entity, whose salary or compensation is payable in whole or in part from city, state or federal funds is directly or indirectly interested in or will benefit financially by, is in a position to participate in a decision making process or gain inside information about the Application (This paragraph is hereinafter referred to as "conflict of interest.").
6. The attached Schedule A, which is incorporated herein as though set forth, contains a list of the names, home or business addresses, telephone numbers and titles of the individual or entity's officers, partners, owners, agents, representatives, employees, affiliates or parties in interest including this affiant as well as any conflict-of-interest as described herein in paragraph numbered 7 above, and any applicable local, state or federal law, involving the same.
7. The attached Schedule A further contains a list of any members of my immediate family who are either employed by the City of New Haven or who are members of city boards, commissions, agencies, or task forces.
8. Except as disclosed in the attached Schedule A, the affiant is not and no member of his or her immediate family is a city employee or, having been a city employee in the past 12 months, is seeking employment with any individual or entity engaged in business with the City of New Haven.
9. Except as disclosed in the attached Schedule A, the affiant has not and no member of his or her immediate family has applied, within the last twelve (12) months, for any city, state, or federal program or benefit over which he or she has had control, influence or discretionary authority.

10. Except as disclosed in the attached Schedule A, the individual or entity has no intention of transacting business with any related or affiliated individuals or organizations.

*(Schedule A and Signature Page Follows)*

SCHEDULE "A"

Please list your responses to Items 6-10 below. If your response is none, please print or type "N/A". **Applicant signature(s) must appear on this schedule.**

6.

7.

8.

9.

10.

\_\_\_\_\_  
Signed Affiant Name(s)

\_\_\_\_\_  
Signed Affiant Name(s)

**Notarized Signature**

STATE OF CONNECTICUT )

)

COUNTY OF NEW HAVEN )

ss: New Haven , 20\_\_\_\_\_

□

Personally appeared \_\_\_\_\_ of \_\_\_\_\_

who identified himself/herself as such and who subscribed and swore to the truth of the foregoing before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Commissioner of the Superior Court

Notary Public

My commission expires on:



5. That neither this applicant, nor any member of his/her immediate family as defined in Section 12-5/8 of the New Haven Code of Ordinances, is an owner, partner or officer of any business entity. ( If any such party is an owner, partner of any business entity, list their names and requested information below. Additional information may be required.

**IF BUSINESS ENTITY**

Name	Position Held	Name of Business	% Interest Owned	Relationship to Applicant

**THIS FORM MUST BE NOTARIZED**

\_\_\_\_\_  
Primary Applicant (Print Name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Primary Applicant Signature

\_\_\_\_\_  
Secondary Applicant (Print Name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secondary Applicant Signature

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Notary: My Commission Expires \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_

Tax Collector and Assessor to Certify above information on page 1 and 2 of this form.)

**TAX COLLECTOR CERTIFICATION  
AS TO THE APPLICANT:**

- NO BACK TAXES OWED
- BACK TAXES W/CURRENT AGREEMENT
- BACK TAXES W/DEFAULT AGREEMENT

**AS TO ALL BUSINESS ENTITIES:**

- NO BUSINESS ENTITIES LISTED
- NO BACK TAXES OWED
- BACK TAXES W/ PAYMENT AGREEMENT AGREEMENT  
 CURRENT //  IN DEFAULT
- OK TO PROCESS AGREEMENT

BY: \_\_\_\_\_  
TAX COLLECTOR

**ASSESSOR CERTIFICATION  
AS TO THE APPLICANT:**

- CURRENT LIST OF TAXABLE PROPERTY  
FILED
- CURRENT LIST OF TAXABLE PROPERTY  
NOT REQUIRED

**AS TO ALL BUSINESS ENTITIES:**

- NO BUSINESS ENTITIES LISTED
- CURRENT LIST OF TAXABLE PROPERTY  
FILED
- CURRENT LIST OF TAXABLE PROPERTY  
NOT REQUIRED
- OK TO PROCESS AGREEMENT

BY: \_\_\_\_\_  
ASSESSOR





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Administrator

**OCCUPANCY CERTIFICATION FORM**

I/We, \_\_\_\_\_ and \_\_\_\_\_ hereby certify

That I/We will occupy the premises known as \_\_\_\_\_,

New Haven, Connecticut within thirty (30) days of the loan closing.

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

By: \_\_\_\_\_  
Applicant

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

By: \_\_\_\_\_  
Applicant





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**NO CHILDREN UNDER 6 AFFIDAVIT**

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

To: Economic Development, City of New Haven

Applicant(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

Check Applicable item below:

\_\_\_ I hereby attest that children age six (6) or under currently reside at the above address

\_\_\_ I hereby attest that no children age six (6) or under reside at the above address

- \_\_\_ EERAP Program
- \_\_\_ LEAD Program
- \_\_\_ Emergency Elderly & Disable Program
- \_\_\_ Down Payment/Closing Cost Program

**NOTIFICATION OF LEAD PAINT TESTING**

\_\_\_ I understand that there will be Lead Paint based testing performed at the above address as required by the program funding.

Signature of Owner/Applicant(s) \_\_\_\_\_

\_\_\_\_\_



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**AUTHORIZATION FOR THE RELEASE OF RECORDS FORM**

TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE:

\_\_\_\_\_

You are hereby requested and authorized to disclose, make available or furnish to:

City of New Haven  
Economic Development Housing & Community Development  
Attn: Debbie Golia  
165 Church Street, New Haven, CT 06510  
Phone (203) 946-8389 Fax (203) 946-4899

Or its authorized representative, a complete copy of my/our loan application file, and any and all information, records or copies thereof relating to my loan application.

You are further authorized to accept a photographic reproduction of this signed authorization and give it the full force and effect of the original.

Name of Borrower:

\_\_\_\_\_

Current Address:

\_\_\_\_\_  
\_\_\_\_\_

Social Security #:

\_\_\_\_\_

Property Address:

\_\_\_\_\_

Signature:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Disclosure Form for Target Housing Sales**  
**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**

**Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Seller's Disclosure (initial)**

\_\_\_\_\_ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

\_\_\_\_\_

Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing

\_\_\_\_\_ (b) Records and reports available to the seller (check one below):

Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

\_\_\_\_\_

Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's Acknowledgment (initial)**

\_\_\_\_\_ (c) Purchaser has received copies of all information listed above.

\_\_\_\_\_ (d) Purchaser has received the pamphlet *Protect Your Family From Lead in Your Home*.

\_\_\_\_\_ (e) Purchaser has (check one below):

Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (initial)**

\_\_\_\_\_ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

\_\_\_\_\_  
Seller Date      \_\_\_\_\_  
Seller Date

\_\_\_\_\_  
Purchaser Date      \_\_\_\_\_  
Purchaser Date

\_\_\_\_\_  
Agent Date      \_\_\_\_\_  
Agent Date



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**CITY OF NEW HAVEN**

**Purchase Mortgage Lending Policy and Procedure**

**Policy**

**The City of New Haven has established the following standards for purchase (first-lien) mortgages, which are supported by subordinate liens funded by the City of New Haven homebuyer assistance programs and any other City funded programs or projects:**

- Predatory lending practices and abusive sub-prime mortgages are prohibited
- Lenders must make the best efforts to place borrowers in the least risky, most sustainable and most affordable loan product that is appropriate for the customer's financial situation.
- Purchase mortgages must be conventional (fixed-rate) or responsible sub-prime loans
- Lenders must provide evidence that they are direct Fannie Mae lending partners or Freddie Mac approved lenders
- Originated mortgages must be eligible for purchase by Fannie Mae, Freddie Mac, Connecticut Housing Finance Authority (CHFA) or Federal Housing Administration (FHA)
- Mortgages with balloon payments, interest only or interest first provisions, and those that allow for no income-no asset, or stated income-stated asset features (financial information provided by mortgage applicants that is not verified by lenders) are prohibited
- Prepayment penalty terms must not exceed three years, and must show a specific benefit to the borrower (such as a rate or fee reduction for accepting the prepayment penalty terms)
- Adjustable rate mortgages (ARMs) are prohibited – unless borrowers are qualified at the fully-indexed and fully amortizing rate
- Lenders must agree to maintain foreclosure prevention practices that meet or exceed the standards set by FDIC.
- Potential homebuyers must complete an 8-Hour Homebuyer Education class by a HUD approved housing counselor (see Exhibit A – 8-Hour Homebuyer Education Provider Directory)
- Further, lender agrees to comply with the bank regulators' guidance for non-traditional mortgages Statement Policy available at <http://www.fdic.gov/regulations/laws/rules/5000-5150.html>.
- Lenders, developers and homebuyers must acknowledge compliance with this policy

## **Sub-Prime Lending**

According to Freddie Mac, 'sub-prime' is an industry term used to describe credit and loan products that have less stringent lending and underwriting (loan approval) terms and conditions. As a compensating factor for the higher risk, however, sub-prime products charge consumers higher interest rates and fees. A sub-prime loan is one typically offered to people who have problems with their credit. The loan's interest rate is higher than the prevailing rate available to those with exemplary credit histories. The higher rate is imposed because of the additional risks involved in lending to someone with poor credit or without a financial track record.

### **Responsible Sub-Prime Lending is Legal**

### **Abusive Sub-Prime Lending is Predatory and Illegal**

**Predatory lending** is any practice in which lenders try to fool or intimidate consumers into agreeing to loans that are ultimately unaffordable and do not meet industry standards.

Predatory lending practices involve some or all of the following:

- Steering applicants to higher cost mortgage products that are designed for less creditworthy borrowers – when the applicant can qualify for a lower-cost mortgage
- Offering only loans with higher interest rates than the borrower can afford
- Adding unnecessary fees to the cost of the mortgage
- Including "balloon payments" - a large one-time payment - at the end of a payment schedule that disguises the true, higher-than-expected, cost of the loan
- Moving a borrower from one loan to another near the end of the payment schedule to extend interest payments and add to the overall cost of the loan
- Forcing borrowers to purchase more insurance than the law requires, and more than the borrower needs

## **Procedure**

**LENDERS originating loans supported by a subordinate lien funded by the City of New Haven homebuyer assistance programs or any other funded program or project are required to:**

- Certify that mortgages are either conventional (fixed-rate) or responsible sub-prime loans, and follow the City of New Haven's Purchase Mortgage Lending Policy
- Provide a copy of the homebuyer's 8-Hour Homebuyer Education Certificate prior to closing a home sale
- Deliver a signed and notarized Purchase Mortgage Certification form prior to closing the home sale
- Only certification by the lender will be accepted, no brokers or agents
- Certify receipt of, and compliance with, the City of New Haven's Purchase Mortgage Lending Policy

**DEVELOPERS selling homes supported by City of New Haven funding are required to:**

- Inform potential homebuyers of first-lien mortgage standards by distributing the City of New Haven's Purchase Mortgage Lending Policy and Procedure
- Deliver Purchase Mortgage Certification forms to homebuyers, informing them that they must have the forms signed and notarized by their mortgage lender (lenders are responsible to forward executed forms to the Developer prior to closing a home sale) Developer will provide copy to City Project Manager for project file.
- Deliver a copy of the homebuyer's 8-Hour Homebuyer Education Certificate to the Developer prior to closing a home sale and the Developer will provide a copy to the City Project Manager for the project file.

**Homebuyer Resources for Learning More About Predatory Lending and Abusive Sub-Prime Loans:**

**Mortgage Bankers Association of America:**

<http://www.stopmortgagefraud.com/>

1-800-348-3931 toll-free

**Fannie Mae:**

<http://www.fanniemae.com/index.jhtml>

Fannie Mae Resource Center at 1-800-732-6643

**Freddie Mac:**

<http://www.freddiemac.com/index.html>

Freddie Mac's New York Regional office at (212) 418-8900

**Connecticut Department of Banking:**

[http://www.ct.gov/dob/site/default.asp?dobNav\\_GID=](http://www.ct.gov/dob/site/default.asp?dobNav_GID=)

1-800-831-7225 toll-free

**The City of New Haven is not responsible for ensuring that your purchase (first-lien) mortgage is not an abusive sub-prime loan. Potential homebuyers are strongly encouraged to be vigilant when considering home mortgage options.**

**REV 1/23/2020**



Justin Elicker  
Mayor

**City of New Haven**  
**Office of the Economic Development Administrator**  
**165 Church Street**  
**New Haven, Connecticut 06510**



Michael Piscitelli, AICP  
Economic Development  
Administrator

**Purchase Mortgage Certification**

The City of New Haven has established a Purchase Mortgage Lending Policy, which sets standards for purchase (first-lien) mortgages that are supported by subordinate liens held by the City of New Haven under any City of New Haven funded programs or projects:

Lenders agree to adhere to the following business practices when originating purchase mortgages:

1. Prohibit predatory lending practices and abusive sub-prime mortgage lending.
2. Make best efforts to place New Haven borrowers in the least risky, most sustainable and most affordable loan product that is appropriate for the customer’s financial situation.
3. Originate mortgages that are conventional (fixed rate) or responsible sub-prime loans, which comply with the City of New Haven’s Purchase Mortgage Lending Policy.
4. Originate mortgages that are eligible for purchase by Connecticut Housing Finance Authority, Federal Housing Administration, Fannie Mae or Freddie Mac. Further, lenders must provide evidence that they are direct Fannie Mae lending partners or Freddie Mac approved.
5. Prohibit mortgages with balloon payments, interest only or interest first provisions, and those that allow for no income-no asset or stated income-stated asset features (financial information provided by mortgage applicants that is not verified by lenders).
6. Utilize prepayment penalties for a maximum term of three years, and only when there is a specific benefit to the borrower (e.g., rate or fee reduction for accepting the prepayment penalty terms, etc.).
7. Prohibit adjustable rate mortgages (ARMs) – unless borrowers are qualified at the fully-indexed and fully amortizing rate.
8. Maintain foreclosure prevention practices that meet or exceed Fannie Mae or Freddie Mac standards.
9. Ensure that homebuyers complete an 8-Hour Homebuyer Education class, by a HUD approved counselor.
10. Further, lender agrees to comply with the Statement Policy on Sub-prime Mortgage Lending issued by the Federal Deposit Insurance Corporation, available at <http://www.fdic.gov/regulations/laws/rules/5000-5150.html>.

**Acknowledgements**

I/We acknowledge that we have received a copy of the City of New Haven’s Purchase Mortgage Lending Policy and that based on our lender’s certification our purchase mortgage will comply with the Policy.

\_\_\_\_\_

Date

\_\_\_\_\_

Applicant’s Name (printed)

\_\_\_\_\_

Applicant’s Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Applicant’s Name (printed)

\_\_\_\_\_

Applicant’s Signature

I acknowledge that I will adhere to the City of New Haven's Purchase Mortgage Lending Policy when originating mortgages that are supported by subordinate liens under the City of New Haven's Neighborhood Stabilization Program, and for other City of New Haven funded programs or projects. I further certify that I have explained the Policy and provided a copy of the Policy to the loan applicant.

I certify the above to be true and correct under the penalties and provisions of the United States Code, Title 18, Section 1001, and to any other applicable law.

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Date

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Lender's Name (printed)

Lender's Signature Name of Lending Institution

Address of Property to Be Purchased

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STATE OF CONNECTICUT}

COUNTY OF NEW HAVEN}      ss.: NEW HAVEN

On this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, before me personally appeared signer of the foregoing agreement, and acknowledged the same to be his / her free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand.

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Commissioner of the  
Superior Court Notary  
Public