

Gilchrist County SHIP Program

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What you should know about Gilchrist County's State Housing Initiative Partnership (SHIP) Program

Question: What is the SHIP program?

Answer: The Gilchrist County SHIP program provides down payment, closing costs and rehabilitation loans to help **qualified** individuals and families build, purchase or repair **qualified** single-family owner-occupied homes that meet certain requirements. SHIP does not provide money for the purchase or repair of mobile homes or second homes. Grants are available to a qualified home and homeowner for emergency repairs that pose an immediate threat to the health or safety of the homeowner.

Question: How do I find out if I qualify for a SHIP loan?

Answer: We review the information contained in your SHIP application to determine if you qualify based on your total gross household income and the number of people living in the household. You may review the general income qualifying guidelines at the end of this information package to see if you may be eligible. You will also have to attend a SHIP educational program before the loan can be made. If you have attended a SHIP class in another town, we will need a copy of the certificate of completion, which will exempt you from attending our class.

If you want to rehab your existing home, you must apply to a local lending institution and be denied a loan before you can make application for a SHIP rehab loan.

Question: What does SHIP consider income?

Answer: Any income from any sources including employment income received by occupants of the household who are 18 years of age or older, interest income, SSI, AFDC, Retirement, and Social Security Income, any cash contributions received on a regular basis and any regular household payments that are made for a member of the household by another party, as well as income that should legally be coming to the occupants such as child support, even if it is not being received. There are some exceptions to this. Assets such as real estate, financial accounts and other personal assets, with some exceptions are also used to calculate asset income based on actual or an imputed interest rate \

Question: How do I know if a home qualifies for a SHIP loan?

Answer: If you are buying an existing home, the purchase price of the home, including the cost of any repairs required by SHIP to ensure the home meets minimum safety and livability standards set by the County, must be \$100,000 or less including property value.

If an applicant is going to build a home using SHIP money, the total of the land purchase contract, if any, and the construction contract cannot exceed \$100,000. The \$100,000

includes all costs and fees required to obtain permits; complete the home; and obtain a certificate of occupancy including but not limited to impact fees, septic, well, and site improvements.

If you are going to build a home on land you already own, the appraised value of the land and the completed improvements cannot exceed \$100,000.

If you are going to repair your existing home, the assessed value of the home as established by the Gilchrist County Property Appraiser's office must be \$100,000 or less.

If you are going to add an addition or expand your existing home, the assessed value plus the cost of the addition/expansion cannot exceed \$100,000.

Applicants who want to purchase or repair an existing home must provide a current termite inspection report and pay a \$50 health and safety review fee as part of the application process. This review will determine if the home meets, or can be made to meet, SHIP's minimum health and safety standards with the funds available to the applicant. If the cost of the work exceeds the available SHIP funds, then home will not be eligible. The property must be located in Gilchrist County.

Question: What is the maximum SHIP loan amount?

Answer: The maximum SHIP loan amount depends on the applicant's income, and cannot exceed \$40,000. It also depends on the amount of money the applicant can borrow from a bank or lender.

Question: If SHIP only provides down payment and closing cost assistance for those wanting to buy or build a home, where does the rest of the money needed to buy a home come from?

Answer: If you intend to buy or build a home, you must qualify for and obtain a mortgage from a bank, mortgage company or private lender since the SHIP program only provides down payment and closing cost money. If you cannot qualify for a mortgage loan you will not be able to use the SHIP program. The maximum of the SHIP loan and any other mortgage loans on the property must not exceed an amount equal to the appraised value of the property to be acquired plus normal and customary closing costs and prepaid items. The SHIP loan must be either a first or second mortgage.

Question: Can anyone get a SHIP loan?

Answer: Anyone who meets the SHIP income eligibility requirements can qualify for SHIP loan eligibility provided they have not already received a fully-funded SHIP loan from the County in the past. There are no requirements that the applicant be a first time home buyer or owner.

Question: What do I need to do first?

Answer: Review the basic qualifying information contained in this information package. If you think you're eligible for a SHIP loan, contact the SHIP program administrator at 352-463-4021 to schedule a pre-screening interview. If there are two or more adults in the household, all will need to be present at the pre-screening interview.

Question: Do I have to pay the SHIP loan back?

Answer: The Board of County Commissioners would determine repayment terms. The Board looks at your first mortgage payment amount and other debt payments to compute a debt to income ratio (your income compared to the debts you owe). If this ratio is below their guidelines a repayment schedule may be required. If they determine that your ratio is too high you will receive a deferred payment loan, which means the SHIP loan will be forgiven provided you meet certain requirements

Question: Can I use a SHIP loan to purchase a mobile home or second home?

Answer: No. Homes with HUD certifications such as most mobile or manufactured houses are not eligible. Ship money can be used to purchase or rehab a modular home that has a DCA certification. To qualify for a SHIP loan the home must be owner-occupied as the primary residence.

Question: Do I have to invest any money to participate in this program?

Answer: Depending on your income category, you may be required to invest personal funds. If you are at a moderate-income level, you will be required to invest \$1,000; if you are at a low-income level, you will be required to invest \$500. However if you are at a very-low income level, you are not required to invest any personal funds.

Question: How does the SHIP loan approval process work?

Answer: Once your application is complete and verifications are received, we will make a determination as to the income level for which you qualify. Once you provide the information contained in your certification letter the loan request is sent to a SHIP Loan Review Committee. The committee makes a recommendation, which is forwarded to the County Commission for final approval.

Questions: Once approved, how long does it take to receive the SHIP funds?

Answer: Because we receive varying amounts of SHIP funds from the State on a yearly basis, and we must service a certain percentage of applicants from each category, it could take 2 to 12 months before you receive your SHIP loan. If we have more applicants than available money, we'll put you on a waiting list. On average it takes about 60 days from application to final loan approval.

Question: What if my income changes between the times my SHIP loan is approved and the time I receive the loan?

Answer: The initial income certification is good for 120 days. If you are not approved as income eligible within 120 days of receipt of the first verification, you must be re-certified. If your income has changed during the application and approval process, you must notify us immediately. We will reevaluate your eligibility. If you are still eligible, you may be placed in a higher or lower income category. There is a possibility that if your income increases it would put you above the highest limit and you would no longer qualify. If your income changes within the 120-day period you must notify us so we can re-certify your income. Once you have been approved for a SHIP loan, changes in income have no affect on your loan eligibility.

Question: Are there restrictions on the condition of a home purchased with a SHIP loan?

Answer: Home must meet or be brought up to certain minimum health and safety standards to qualify for a SHIP loan. SHIP loan money may be used for the required repairs provided the total money available from the applicant, SHIP and the first mortgage are adequate to cover the purchase and repair costs. The home must meet Section 8 guidelines (building code requirements). SHIP will send someone to do a health and safety review of the home and make a list of the rehab (repairs) needed. If SHIP money is to be used to repair a home the repairs must be completed within 12 months following the closing of the SHIP loan. The bank will escrow the money and pay for the repairs as they are completed. The total of the purchase price and the repairs cannot exceed \$100,000.

Question: How does SHIP determine how much it will lend for rehab work?

Answer: SHIP will do a health and safety review of the property. Based on that review, SHIP will determine if the property qualifies for SHIP funds. If it qualifies, SHIP will prepare a list of the repairs required. This list, called a Request for Bids, will be given to the applicant. The applicant can have any licensed, qualified contractor submit a bid for the work. SHIP requires at least two signed bids from qualified contractors for each rehab request. Once a minimum of two qualified bids is received the application will go before the Loan Review Committee to make a recommendation to the County Commission regarding the loan approval. The Commission has final say on approvals, determines the actual loan amount and any required payback terms.

Question: Can I use SHIP money to redecorate my home or replace an old air conditioning unit with a more efficient one?

Answer: SHIP rehab money can only be used to bring the home up to minimum health and safety standards and to make repairs that prevent further deterioration to the home. SHIP money does not pay for cosmetic or energy efficiency repairs unless it is part of the required health and safety repairs.

Question: If my SHIP loan is going to be used to make repairs, can I make the repairs on my home?

Answer: Not unless you are a licensed and insured contractor. We require all repairs to be completed by a licensed and insured contractor.

Question: If my SHIP loan is going to be used to build a new home, can I pull permits and build it myself?

Answer: No. We require that a licensed and insured general or residential contractor pull permits and build the home.

Question: Must I use a specific contractor?

Answer: You may use any contractor provided the contractor is licensed to perform the required work in Gilchrist County, maintains the required liability and workman's compensation insurance and agrees to meet specific SHIP guidelines.

Preliminary Income Qualifying Information (revised 01/17/06)

Number of people in the household	1	2	3	4	5	6	7	8
VERY LOW Income	\$0 to \$19,100	\$0 to 21,800	\$0 to 24,550	\$0 to 27,250	\$0 to 29,450	\$0 to 31,600	\$0 to 33,800	\$0 to 35,950
LOW Income	\$19,101 to \$30,500	21,801 to 34,900	24,551 to 39,250	27,251 to 43,600	29,451 to 47,100	31,601 to 50,600	33,801 to 54,050	35,951 to 57,550
MODERATE Income	\$30,501 to 45,840	34,901 to 52,320	39,251 to 58,920	43,601 to 65,400	47,101 to 70,680	50,601 to 75,840	54,051 to 81,120	57,551 to 86,280

VERY-LOW INCOME: Up To \$40,000.00 No applicant contribution required.
 LOW INCOME: Up To \$29,000.00 \$500 applicant contribution required.
 MODERATE INCOME: Up To \$21,500.00 \$1,000 applicant contribution required.
 To make an application appointment, call the SHIP Administrator at the Gilchrist County SHIP Program Office 352-463-4021.