

**CITY OF CLEARWATER
FLORIDA HOMEBUYER OPPORTUNITY PROGRAM**

Effective July 2009

During the 2009 regular legislative session the Florida Homebuyer Opportunity Program was created. This program requires that SHIP funding be used to provide up to \$8,000 (10% of sales price up to \$8,000 whichever is less) in purchase assistance to applicants that are eligible to receive the federal first-time homebuyer tax credit created through The American Recovery and Reinvestment Act of 2009. Under the program guidelines, the assistance will be repaid by the homeowner within 10 days of receipt of their federal tax refund.

- ◆ Amount of Assistance: 10% of sales price up to \$8,000 whichever is less.

- ◆ Sales Price Limits \$180,000 (or up to \$237,000 with approval).

- ◆ Client Qualifications Summary:
 - 1) The tax credit is for first-time homebuyers. (A first-time homebuyer is someone who has not owned a home within the last 3 years).
 - 2) No outstanding federal or state garnishments, delinquent student loan(s), child support, IRS liens, or any other obligations that could be offset against the tax refund.
 - 3) Must be able to provide 3 years tax returns and W-2 form(s) as well as current paystubs.
 - 4) Must be able to obtain a mortgage loan from a financial institution (30 year fixed rate).

- ◆ Additional Criteria:
 - 1) Mobile Homes are not eligible.
 - 2) Client must file Form 5405 (First-Time Homebuyer Credit) with their tax return to receive credit.
 - 3) The assistance shall be repaid to the City of Clearwater within 10 days upon receipt of the client's tax refund or the loan will be considered in default.
 - 4) The real estate transaction must be closed on or before November 30, 2009
 - 5) The client must occupy the home for 36 months as their primary residence to be eligible for the tax credit per IRS guideline.
 - 6) The home cannot be purchased from a family member.

- ◆ Client must attend first time homebuyer class with one of the City's approved providers and provide certification of completion with date not to exceed 12 months.

- ◆ A City of Clearwater's Note, Mortgage and addendum for the assistance will be executed by the client. If the assistance has not been repaid within 36 months of the default period, interest will be assessed.

- ◆ ALL GUIDELINES will be governed by the SHIP statute and rule and IRS guidelines.