



The Homeward Bound Application Process is:

Phase I. Determine your eligibility and willingness to commit to the Community Land Trust model.

You are eligible if you meet the eight criteria listed below. Homeward Bound advises you to read through the entire qualification and application process to determine your willingness to complete all steps, including paying all fees. You are eligible if you meet the following seven criteria:

- a. Minimum residency: You must currently live in and have lived in Jefferson or Clallam Counties for at least a year OR you must currently work and have worked in Jefferson or Clallam Counties for at least one year.
- b. Income: You must earn less than 80% of the median income for the county for your household size. In 2009 the maximum gross income by family size is as follows:

Number in Household	1	2	3	4	5	6	7
Jefferson	32950	37650	42350	47050	50800	54600	58350
Clallam	31250	35700	40200	44650	48200	51800	55350

- c. However, you must also earn enough to pay your monthly mortgage, taxes, utility costs and insurance. Proof of income is required as part of the application to Homeward Bound.
- d. Credit Rating: You must have a good credit rating showing no significant delinquencies in the past year and no bankruptcy in the past three years. A credit report is required as part of your application to Homeward Bound. This report can be pulled for you following attendance at First Time Homebuyer Class.
- e. Debt: At the time you apply for a mortgage, your total monthly debt payments (including the cost of your house) may not exceed 38% of your income. Debt includes any long-term obligations (a repayment period of more than 6 months), such as automobile payments, child support and student loans, plus the minimum monthly payment for all credit card debts. Homeward Bound can help you determine this percentage during your initial screening interview. Generally, however, monthly debt obligations of more than \$200-\$300 in addition to housing costs will make it difficult for you to qualify.
- f. Employment and ability for homeownership: You must have proof of steady

- employment or income for at least one year. Sources of income include all wages, overtime and tips; interest and dividends; social security, annuities, pensions; unemployment, disability and severance compensation; alimony and child support; and most forms of public assistance. Self-employed individuals must demonstrate proof of earnings with tax returns for the past two fiscal years.
- g. Assets: If you have net assets exceeding \$10,000 in value, they must be used toward housing. Assets include savings, land, mobile homes, recreational vehicles, boats, art collections or similar items. Not included in the calculation of asset value are household possessions, cars, tools, Individual Retirement Accounts (IRA's) or pensions.
 - h. First Time HomeBuyer: You must neither currently own a home nor have owned a home in the past three years.

2. Attend a Homebuyer Education Class:

Homeward Bound offers a 6-hour homebuyer education classes (See [HomeBuyer Education Courses](#) for a class description and schedule). This class will give you the basic tools to move through the homebuying process with knowledge and comfort.

3. Submit application and review with Homeward Bound staff:

Complete and submit an application (and all necessary documentation) with a membership fee (if you are not already a member) and an application fee (please contact our office for a full information packet with a schedule of fees). Applications are reviewed on a first-come, first-served basis.

4. Mortgage Pre-approval:

Meet with a participating lender to be pre-qualified for a mortgage. At this point, there are specific banks that have approved the Homeward Bound model. Applicant submits a copy of the pre-approval letter from a participating lender.

5. Final Interview/Orientation:

This is an opportunity for applicants to ask questions and get clarification regarding the purchase of a home through Homeward Bound's programs.

6. Approval of Applicant:

Application and pre-approval letter is reviewed by Homeward Bound staff

7. Receive and acknowledge receipt of a Letter of Intent from Homeward

Bound: This letter is a statement of understanding and a declaration of Homeward Bound's commitment to work with you. This letter includes a statement of the subsidy amount that you are eligible for. You will pay a commitment fee when you return your letter of receipt.

Phase II: Purchasing a Home

1. Once we have returned your Letter of Acknowledgement funds are considered "obligated" to you. ***Because assistance funds are limited, you have 120-days from the time Homeward Bound receives your commitment fee to come to mutual agreement

on an offer to purchase a home. Please stay in close contact with Homeward Bound during this process. ***

2. Buyers identify a buyer's real estate agent to work with. Buyers and real estate agent meet with Homeward Bound staff to ensure that everyone understands the program and the process. Buyers begin to look for homes for sale within Jefferson and Clallam Counties (See [Site Selection Criteria](#))

3. Purchase agreement signed with inspection and financing contingencies. **There must be at least 45 days between mutual agreement and closing.**

4. House meets Homeward Bound's quality standards determined by a full home inspection and walk-through with staff

5. Title commitment showing no liens or defects in title

6. Bank appraisal which finds the property equal or greater in value than the purchase price

7. Homeowners insurance secured in accordance with lease

8. Buyers are required to review the Ground Lease with an attorney prior to signing a purchase agreement.

9. Closing, recording of documents (Warranty Deed, Ground Lease, Mortgage) and move-in.