



## HomeBase Affordable Homes Program Eligibility Instructions

### General Eligibility

- At least one applicant must work 25-hours/week (not applicable if disabled or retired)
- Must obtain Income Eligibility Certification from Lender stating that household income and assets meet the HomeBase Affordable Homes Program Income & Asset Guidelines and is at or below 80% of the Median Family Income for Austin area as published annually by HUD (see Asset Guidelines and MFI Chart on page 2)
- Please be advised that if down payment is less than 5% of the purchase price, buyer may be required to attend a homebuyer education class by the lender
- Must have a first lien, home mortgage as the primary buyer
- Property must be owner-occupied
- Must agree to all affordable housing restrictions and participate in the HomeBase Affordable Homes Program
- Must comply with the City of Austin's SMART Housing Program and Austin Housing Finance Corporation's income eligibility requirements
- Must provide accurate and complete information. False or misleading statements concerning household status, income, and/or assets will disqualify applicants from participation in the program and may subject the applicant to other sanctions
- Other restrictions may apply

### I. Household Size

Household size is composed of all individuals who will be occupying the home. If two people are a "couple" regardless of marital status, then both people must be included on the application. A couple in the process of a divorce or separation must submit proof of filing in order to apply separately. Co-signers are allowed, provided they do not appear on the warranty deed.

Persons not counted as family members for the purpose of determining income include:

- A child who is subject to a shared-custody agreement in which the child resides with the household for *less* than 50 percent of the time;
- Unborn children; and

- Children being pursued for legal custody or adoption who are not currently living with the household.

## II. Income

The HomeBase Affordable Homes Program has adopted Income & Asset Guidelines, in order to assist buyers who could not otherwise afford to purchase a home. Income Eligibility Certification is contingent on the City of Austin’s SMART Housing approval. Buyers must meet both the HomeBase Affordable Homes Program Income & Asset requirements and the City of Austin’s SMART Housing Income requirements, in order to purchase a HomeBase Affordable Home. **Income Eligibility Certification is valid for six months, or until a contract is entered into for a home on which the buyer closes, whichever is earlier. Income Eligibility Certification does not guarantee that an applicant will qualify for a home mortgage. Other restrictions may apply.**

**2014 HUD INCOME LIMITS BY HOUSEHOLD SIZE**  
*Effective May 1, 2014*

| Household Size    | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| 80% Median Income | 42,250 | 48,250 | 54,300 | 60,300 | 65,150 | 69,950 | 74,800 | 79,600 |

### Income Inclusions & Asset Guidelines

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. The full amount, before any payroll deductions, of wages and salaries, tips, commissions, bonuses and other compensation;</li> <li>2. Self-employment Net Income as shown in the Federal Tax Returns from the operation of own business including proprietorships and partnerships and incorporated businesses;</li> <li>3. Social security or Railroad retirement;</li> <li>4. Profit (or loss) from royalties or rental of land, buildings or real estate or roomers or boarders. Income from any estate and or trust fund;</li> <li>5. Gift amount that is above 20% of the purchase price;</li> <li>6. Supplemental Security Income (SSI), or any public assistance or welfare payments such as TANF;</li> <li>7. Regularly received retirement payments, survivor or disability pensions, including IRA/Keogh distributions;</li> <li>8. Child support or alimony;</li> </ol> | <ol style="list-style-type: none"> <li>9. Any other sources of income received regularly, including but not limited to, VA payments, unemployment, interest, dividends, or investment fund or trust distributions;</li> <li>10. Income from assets calculated at the published HUD Passbook Rate (currently 2%, but subject to change);</li> <li>11. Rental/investment property is limited to no more than 1 housing unit;</li> <li>12. Asset limit is \$150,000. Assets include, for example, cash, checking, money market and savings account balances, certificates of deposit, investment portfolios such as stocks and bonds, and the equity in any real estate owned. Additional \$350,000 in retirement funds allowed for persons 59 ½ years of age.</li> </ol> <p align="center"><b><i>INCOME &amp; ASSET GUIDELINES ARE SUBJECT TO CHANGE AND OTHER RESTRICTIONS MAY APPLY</i></b></p> |
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### III. Documents

#### **Income documentation checklist for income eligibility application.**

- Completed HomeBase Affordable Homes Program Income Eligibility Application signed and dated by all applicants (*all household members must be included on the application*).
- A completed Employer Verification Form for every employed household member **OR** Last THREE (3) pay stubs.
  - IF PAY STUBS ARE PROVIDED, indicate frequency of pay:  
 Monthly    Bi-Monthly    Weekly    Bi-Weekly    Other: \_\_\_\_\_
  - IF SELF EMPLOYED: *In addition* to the 2 COMPLETE years of federal returns please include a current profit & loss estimate projecting income and expenses for 12 months.
- Last THREE (3) MONTHS of all checking & savings accounts
- Most current statements for CDs, brokerage accounts, stock investments, mutual funds, retirement/pension accounts, etc., and proof of value any other asset held by any member of the household.
- Proof of value, as evidenced by a taxing authority or a certified real estate appraiser, and proof of current balance of any debt for any real estate owned.
- TWO YEARS of signed FEDERAL income tax returns and corresponding W2's (If you don't have copies please request a transcript from the IRS by calling 1-800-829-1040.)
- Award letter(s) if receiving social security, pension, survivor or disability payments\*
- If you have been divorced since your last federal tax return was filed, a copy of your executed divorce decree OR, if you are in the process of a divorce, a copy of the petition for divorce.\*
- If you are divorced or legally separated, a copy of your court ordered custody arrangements, order for child support and/or alimony.\*
- If receiving a financial gift from another person, the person will need to provide a letter that includes the amount of the gift and when the gift will be given.\*

*\*as it may apply*

***OTHER DOCUMENTATION MAY BE REQUESTED  
IN ORDER TO VERIFY INCOME & ASSETS***

# HomeBase Affordable Homes Program Eligibility Instructions

**HomeBase Income Verification and Eligibility requirements may be more restrictive than the City of Austin SMART Housing Program’s requirement. If there are changes in the City of Austin SMART Housing Program that make it more restrictive than the HomeBase Income Verification requirements then the more restrictive requirements of the SMART Housing Program will control.**

**The information contained and programs described herein are intended as a general descriptions relating to affordable housing, are current as of the date of preparation hereof to the knowledge of HomeBase and are subject to change without notice. HomeBase, its affiliates, employees and consultants make no warranties or representations of any kind or nature whatsoever regarding the information contained and programs described herein.**

**HomeBase its affiliates, employees and consultants, and the City of Austin reserve the right to review, approve, or reject any application for eligibility.**

**I HAVE READ AND UNDERSTAND THE ELIGIBILITY INSTRUCTIONS.**

**I UNDERSTAND THAT SUBMITTING FALSE OR MISLEADING INFORMATION MAY DISQUALIFY ME FROM PARTICIPATING IN THE PROGRAM AND MAY SUBJECT ME TO OTHER SANCTIONS.**

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED.**

**THE ELIGIBILITY INSTRUCTIONS MUST BE SIGNED BY THE APPLICANT(S) AND RETURNED WITH THE INCOME ELIGIBILITY APPLICATION & REQUIRED DOCUMENTATION.**

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant

\_\_\_\_\_  
Date

**EQUAL OPPORTUNITY:** There will be no discrimination against an applicant on the basis of race, age, sex, marital status, sexual orientation, national origin, religion, handicap, or source of income.

