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Introduction

“Opening Doors” is the Pacific West Association of REALTORS® Charity Foundation’s (PWRCF) First-Time Buyer Down Payment Assistance Program (DAP). The program was established as a means for the REALTOR® community to assist with the housing affordability crisis by helping families achieve the American dream of home ownership.

By providing down payment assistance, this program positively affects housing affordability by creating buyer equity, a lower monthly payment, a guaranteed market interest rate on a safe mortgage product, buyer education, and pride of home ownership and personal accomplishment. The program was structured to be partnered with other state, county and charitable programs, therefore closing the housing affordability gap and bringing the opportunity of homeownership to challenged buyers.

For the purposes of this outline, the following definitions will remain:

- ❖ “PWR” shall refer to the Pacific West Association of REALTORS®.
- ❖ “PWRCF” shall refer to the Pacific West Association of REALTORS® Charity Foundation.
- ❖ “Opening Doors” shall refer to the PWRCF Down Payment Assistance Program (DAP).
- ❖ “Applicant” or “Buyer” shall refer to the individual(s) making application to the “Opening Doors” program.
- ❖ “PWR Underwriting Committee” shall refer to the team of lenders appointed by PWR or PWRCF to review and make funding recommendations.

About the PWR Charity Foundation

The PWR Charity Foundation is a non-profit charitable corporation established by the Pacific West Association of REALTORS® as a means to promote housing opportunities within the local community. Since its inception in 2003, PWR REALTOR® members have raised over \$500,000 to the Charity Foundation and provided volunteer and financial support to community service organizations, crisis groups and low-income housing programs.

Property Eligibility Requirements

A. Eligible Single Family Units: The following minimum standards and/or requirements (rules) shall apply for eligibility purposes. These rules may be modified by PWR or PWRCF as, in their sole discretion, they may deem necessary or advisable.

1. The total acquisition cost (price) of the property must be equal to or below the price limit for the county in which the property is located, under the applicable columns for Targeted or Non-Targeted Area as defined in the CHFA Homeownership Program Sales Price Limits. Current limits are \$673,615 (non-targeted) for Orange County and Los Angeles Counties.
2. Newly constructed homes that have not been previously occupied and existing resale real estate units of any design configuration are eligible. Condominium conversions and rehabilitated units are treated as resale homes because the units were previously occupied.
3. Only homes, including manufactured homes that are taxed as “real estate” and have permanent foundations, are eligible.
4. Each unit must meet the minimum eligibility requirements of the applicable mortgage insurer.
5. The property must be intended for single-family residential use only. Single family homes and condos are acceptable property types. Additional units, including guest houses, “Granny” units, “in-law” quarters, and/or separate units containing kitchen facilities, are not eligible for the DAP.
6. Any residential unit where more that 15% of the total area of the residence will be used for a trade or business and/or which qualifies the Applicant for a tax deduction for a business expense for business use of the residence under section 280A of the IRS code (or other applicable codes) is not eligible.
7. Lot size cannot exceed five (5) acres.

8. All units must be free and clear of all resale controls/restrictions and/or secondary financing unless previously approved by the PWR Underwriting Committee.
9. Defects/repairs identified by the appraiser and/or requirements specified by the appraiser on the appraisal report must be corrected. Neither PWR nor PWRCF, or its agents, shall be expected to verify these matters in any manner whatsoever.
10. All units must be complete with respect to construction or repairs, ready to occupy, meet health and safety standards of the locality, and meet all of the requirements of the mortgage insurer.
11. All applicants must be prepared to execute and must execute any waivers, disclaimers, or other documents required by PWR or PWRCF.

B. Property Location – Applicant must be purchasing a property located within the jurisdiction of PWR, as subject to change and generally defined as follows: Anaheim, Anaheim Hills, Brea, Buena Park, Cypress, Fullerton, Garden Grove, La Habra, La Habra Heights, La Mirada, La Palma, Lakewood, Long Beach, Los Alamitos, Norwalk, Orange, Pico Rivera, Placentia, Rossmoor, Santa Ana, Seal Beach, Signal Hill, Stanton, Tustin, Villa Park, Westminster, Whittier, and Yorba Linda and the County areas of Orange or Los Angeles Counties covered within PWR’s jurisdiction as approved by the National Association of REALTORS®.

C. Short Sales - Properties involved in a lender “short sale” must have written lender approval to short sale of all trust deeds.

Applicant Eligibility Requirements

These rules may be modified by PWR or PWRCF as, in their sole discretion, they may deem necessary or advisable.

A. IRS Disclosure - PWR or PWRCF may be required to disclose information provided by Applicants to the IRS pursuant to the IRS reporting requirements under the Tax Act or other Federal law.

- B. Funds** - The Opening Doors program may fund a maximum of \$4,000 per family towards the Applicant's down payment costs.
- C. Income Limit Determination** - The sources of income of the applicant(s) will be calculated and compared to the annual income against the most recent Program Bulletin income limits for the county under applicable family size and area.
- D. Maximum Income Limits** - The SCHFA annual family income may not exceed the maximum income limits based on Median Family Income Data published by the Department of Housing and Urban Development (HUD). Current limits for Orange County are \$109,800 (1-2 persons) and \$128,100 (3+ persons), and for Los Angeles County are \$99,360 (1-2 persons) and \$115,920 (3+ persons).
1. At the approval stage, PWRCF will recalculate the Applicant's income pursuant to guidelines outlined in this document and examine it for eligibility purposes. These examinations will be conducted and decisions will be final.
 2. Gross Income Includes:
 - a) Wages/Salaries/Commissions.
 - b) Assets and Business Income, including but not limited to, interest, dividends, partnership income, trust fund income, net income from the operation of a business or profession or rental property.

- c) Human Assistance/Services and public assistance, including, but not limited to, social security, housing assistance, annuities, insurance policies, retirement funds, pensions, disability or death benefits, other similar types of periodic receipts, disability, worker's compensation, unemployment and severance pay.
- d) Alimony/Child Support/Contributions including periodic allowances, separate maintenance payments, housing allowances, and regular contributions or gifts received from persons not residing in the dwelling, including child support payments for the benefit of the applicant's child or children.
- e) Military income including regular pay, special pay and allowances.

E. Non Occupant Co-Borrowers - Non occupant co-borrowers are not allowed, for the purposes of determining eligibility for the Opening Doors grant.

F. Applicant Qualifications – Applicants must have sufficient funds to satisfy any required down payment, closing costs, and necessary or required reserves and have sufficient income to meet the monthly mortgage payments as solely determined by the mortgage insurer and the PWR Underwriting Committee. In addition, any lien, judgment and/or collection account must be paid prior to the close of escrow.

1. Applicant MUST be under contract to purchase a property.
2. Applicant must provide a credit report and qualify under the underwriting credit standards of the Lender, PWR Underwriting Committee and/or the mortgage insurer.
3. Applicant contribution – A minimum of 1% of the sales price shall be applied to the applicant's down payment from applicant's own funds (no gifts are allowed to meet the minimum). (Excludes Veterans).
4. Maximum assets shall not exceed \$25,000 excluding 401k funds.
5. Gift funds for down payment and costs are allowed after 1% minimum is met.
6. Minimum credit score of 620 for all applicants.
7. Loans must be approved and funded based upon full documentation loans. Stated income loans are not acceptable. Applicant must provide PWR with 3 years federal tax returns and W-2 Forms, 1 months pay check stubs, 2 months bank statements, driver's license, and proof of residency, a copy of the credit report, and RPA Contract.

8. Buyers must be pre-approved by an approved lender in order to apply.
9. Lenders rates, terms and fees to be deemed reasonable within industry trends and standards.
10. Debt-to-income (DTI) ratios should not exceed 55% (including the mortgage payment) of the borrower's gross income.
11. Loan terms will include fixed rates only for a period of not less than 5 years. No adjustable rate loans or programs with prepayment penalties or negative amortization.
12. Opening Doors funds to be applied to down payment only.
13. Seller credit allowed for payment of Applicant's closing costs.
14. Applicant must participate in a buyer education program as defined by the PWR Underwriting Committee.
15. Applicant must be represented by an active PWR REALTOR® member.
16. Applicant must purchase a property located in a city within PWR's jurisdiction, as defined under Property Requirements, Section B.

These rules may be amended from time to time at the sole discretion of PWR or PWRCF.

G. *Recapture Requirements* - There are no recapture requirements.

H. *First Time Buyer Requirement*

1. Determination of First-Time Buyer Status – Tax Law defines a first-time homebuyer as a person who has not had an ownership interest in any real property during the three-year period prior to the execution of the mortgage loan. An exception would be an applicant who was displaced due to a natural disaster, as determined by FEMA. PWRCF may, from time to time, amend this definition.
2. In addition true, correct and complete signed copies of the Applicant's Federal income tax returns as filed with the IRS (No tax transcripts) for the immediate three years or an affidavit of non-filing in addition to Applicant's landlord, and rental receipts with rental agreements for the years in question and signed IRS Form 4506.

- I. **Owner Occupancy** – Applicants seeking funds from the Opening Doors program must occupy the financed residence as their principal residents within 60 days of closing (as defined above), and continuously thereafter, for the term of the loan or until the property is sold. Investor loans are prohibited. Upon discovery that the property is leased, rented or gifted by the Applicant without PWR’s or PWRCF’s prior written approval the agency will require the lender to notify the Applicant immediately to correct the situation. Failure on the part of the Applicant to re-occupy the property may result in a declaration of a non-monetary default.

Non occupant co-borrowers are not allowed.

- J. **Residency Requirement** - PWR or PWRCF will require that all applicants be either a United States citizen or national of the United States, or a qualified alien as defined by the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified aliens are defined below. The PWR Underwriting Committee will review and verify the supporting documents, but may rely on any documents submitted as truthful.

1. An alien lawfully admitted for permanent residence under the Immigration and Naturalization Act (INA).
2. An alien who is granted asylum under Section 208 of the INA.
3. A refugee admitted to the United States under Section 207 on the INA.
4. An alien paroled into the United States under Section 212d(5) of the INA for a period of at least one year.
5. An alien who is granted conditional entry under section 243(h) of the INA or Section 241 (b)(3).
6. An alien who is granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1980.
7. An alien who is a Cuban or Haitian entrant.

- K. **Media Consent** - Applicant gives consent to be interviewed by PWR and members of the media relative to their experience with the PWR Charity Foundation “Opening Doors” program, including interviews, video and photos as needed.

- L. **Real Estate Licensees Not Eligible** – Individuals who hold an active real estate license are not eligible for the “Opening Doors” program.

Application

- A. **Acceptance Period** - Applications for “Opening Doors” program funds will be accepted as determined by PWRCF based upon the availability of funds, PWRCF analysis, and PWRCF rules and policies. The “Opening Doors” program shall be subject to suspension at any time as determined by PWR or PWRCF depending upon funding levels or other considerations as determined by PWR or PWRCF. PWR REALTOR® members shall be noticed of the availability of funds and application acceptance periods in Association communications and on PWR’s website (www.pwr.net/openingdoors).
- B. **Application Procedure** - Applications for the “Opening Doors” program will be available on the PWR website (www.pwr.net/openingdoors), or at the PWR office. The “Opening Doors” Application and Requirements document will generally specify buyer and property requirements, and the required documentation that must accompany the application. In order to attempt to preserve the confidentiality of Applicant information, completed “Opening Doors” Applications shall be hand-delivered to PWR at 1601 E. Orangewood Avenue, Anaheim CA 92805 or at locations designated by PWR or PWRCF. (See www.pwr.net for current directions.)
- C. **Incomplete Applications** – Applications received by PWRCF that are not complete or that do not include all the required documentation will be returned, generally within ten (10) days of receipt, to the PWR REALTOR® or the Applicant (as specified by the applicant) for completion and re-application.

Approval

- A. **Notification of Acceptance** – Applicants will generally be notified by PWRCF of acceptance or denial within 3 to 4 business days of receipt of the completed application by PWRCF.
- B. **Notification of Non-Acceptance** - If the Applicant is denied, PWR will generally endeavor to notify the PWR REALTOR® and the Applicant within 3 to 4 business days from the receipt of the application by PWRCF. The Applicant may be informed of the reason for denial and shall be eligible for re-application should circumstances leading to denial change.
- C. **Additional Required Documents:** – Upon approval, PWRCF shall request that the lender submit copies of the estimated closing statement, copy of the note, the preliminary title report, escrow, wiring instructions & Transaction provider sheet. Applicant shall authorize delivery as requested.
- D. **Funding** – Within five days of receipt and approval of additional required documents (above), funds shall be presented in person to the Applicant in the form of a cashier's check payable to the escrow or title company, or funds may be electronically wired to the escrow or title company. It shall be the responsibility of the Applicant to deliver the funds to escrow/title as appropriate to ensure a timely close.

Summary

The “Opening Doors” program is a unique opportunity for local REALTORS® to make a difference in the communities they serve, and in the lives of the families that will achieve their dreams of home ownership.

2015 Opening Doors First-Time Homebuyer Application

Thank you for your interest in the “Opening Doors” Program. The following will provide you with an overview of the application process and what to expect upon approval:

❖ **Application**

Please complete the entire Application and include copies of all Required Documents as detailed below. Do not send originals as you may need them for your records or for your lender. Incomplete applications are not eligible for consideration.

❖ **Please Note:**

- **Stated income loans are not acceptable.**
- **Debt-to-income (DTI) ratios should not exceed 55% (including the mortgage payment) of the borrower’s gross income.**
- **Non-occupant co-borrowers not allowed.**

❖ **Required Documentation to be Submitted Along with the Application:**

- Prequalification letter from lender (who has reviewed and approved our PWR grant program) that includes all FICO Scores of Applicants, the debt-to-income ratios, and the loan programs that are being considered.
- Two month’s bank statements on all bank accounts.
- Copy of driver’s license and proof of residency (birth certificate, passport, or residency card)
- Correct and complete signed copies of the Applicant’s federal income tax returns as filed with the IRS (No tax transcripts) for the immediate three years including W-2 and 1099 forms.
- One month’s current paycheck stubs.
- Copy of the credit report.
- A copy of the purchase contract (RPA).
- Loan must close with original lender (or if substituting a new lender, you must resubmit all lender paperwork)



Opening Doors First-Time Buyer Down Payment Assistance Program Application

❖ **Submitting Your Application:**

Completed Applications & Documentation are to be delivered to the Pacific West Association of REALTORS®, 1601 E. Orangewood Ave., Anaheim, CA 92805. For directions and business hours, visit www.pwr.net.

❖ **Processing Your Application**

PWRCF will make every effort to notify Applicants and/or their REALTOR® in writing of acceptance or denial within 3 to 4 business days of receipt of the completed application. Completing this Application does not guarantee that you will be eligible for or that you will be approved for funds. Your lender and/or REALTOR® may be contacted for further information during the review period.

❖ **Closing/Wiring of Funds**

Five days prior to the release of funds, Applicant will be asked to provide the following documentation subject to review and approval:

- Homebuyer Education Completion Certificate: This program is a online course that you will complete:
<https://homebuyerstest.mqic.com/hmebyrs/registration.htm>
- Estimated closing statement
- Copy of the note
- Preliminary title report
- Escrow instructions
- Wiring Instructions
- Transaction Provider Sheet

❖ **Additional Information**

For additional information, contact your REALTOR®, visit www.pwr.net/openingdoors or call **Amber Smith** at PWR (714) 245-5500.



Opening Doors First-Time Buyer Down Payment Assistance Program Application

Applicant Information

Borrower

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Date of Birth: _____

Cell Phone: _____

Work Phone: _____

Social Security: _____

Email Address: _____

Occupation: _____ Employer: _____

Co-Borrower

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Date of Birth: _____

Cell Phone: _____

Work Phone: _____

Social Security: _____

Email Address: _____

Occupation: _____ Employer: _____



Opening Doors First-Time Buyer Down Payment Assistance Program Application

Gross Monthly Income (Include income from All Borrowers)

Gross Monthly Income	Borrower	Co-Borrower	Additional Borrower	Additional Borrower
Overtime	\$	\$	\$	\$
Bonuses	\$	\$	\$	\$
Commissions	\$	\$	\$	\$
Dividends/Interest	\$	\$	\$	\$
Alimony/Child Support	\$	\$	\$	\$
Unemployment	\$	\$	\$	\$
Disability	\$	\$	\$	\$
Social Security	\$	\$	\$	\$
Other Monthly Income	\$	\$	\$	\$
Total Monthly Income	\$	\$	\$	\$

Household Assets

Gross Monthly Income	Savings	Checking	Other
Overtime	\$	\$	\$
Bonuses	\$	\$	\$
Commissions	\$	\$	\$
Dividends/Interest	\$	\$	\$
Alimony/Child Support	\$	\$	\$
Unemployment	\$	\$	\$
Disability	\$	\$	\$
Social Security	\$	\$	\$
Other Monthly Income	\$	\$	\$
Total Monthly Income	\$	\$	\$

Pacific West Association of REALTORS®
 1601 E. Orangewood Avenue, Anaheim, CA 92805
 714.245.5500
 Tax ID #03-0511249

www.pwr.net/openingdoors



Opening Doors First-Time Buyer Down Payment Assistance Program Application

Persons to Occupy the Household (Other than Applicants)

Name:	Age:	Relationship:
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Total Persons in Household:

Requested Amount

Amount Requested from the PWR Charity Foundation: \$ _____ (maximum is \$4,000)

About Your REALTOR®:

Name: _____ Firm: _____

Phone: _____ Email: _____

Have you owned property in the last three years?	Yes	No
Are you a U.S. citizen?	Yes	No
Are you a permanent resident alien?	Yes	No



Opening Doors First-Time Buyer Down Payment Assistance Program Application

Property Eligibility Requirements:

I have read the attached "Opening Doors" Qualifications & Application guidelines document and understand that the property must meet all of the qualifications as defined in the Property Eligibility Requirements section.

Applicant Initials _____

Applicant Eligibility Requirements:

I have read the attached "Opening Doors" Qualifications & Application guidelines and understand that the applicant must meet all of the qualifications as defined in the Applicant Eligibility Requirements section.

Applicant Initials _____

Applicant Acknowledgement and Certification

I/We, the undersigned applicants for the Pacific West Association of REALTORS Charity Foundation (PWRCF) "Opening Doors" First Time Buyer Down Payment Assistance Program, agree to hold harmless the Pacific West Association of REALTORS®, PWR Charity Foundation, it's Board of Directors, Employees, Members and Affiliate Members from any loss or perceived loss that I/We may incur as a result of applying for this grant; including but not limited to: failure to be awarded a grant, failure of offers to purchase being accepted or failure to successfully close a purchase transaction.

I/We understand that I/we may incur significant loss if I/we enter into a contract of purchase real estate and we are solely responsible if we lose our earnest money deposit or other out of pocket expenses that we may incur as a result of entering into a contract to purchase real estate. I/we understand that any grant funds deposited into an escrow on our behalf of a transaction that does not close for any reason will need to be returned in full to the PWR Charity Foundation.

I/We authorize the PWRCF and its representatives to contact me via phone, email or other medium with regard to this application and other related topics. I/We authorize PWRCF to discuss my/our application with my/our REALTOR® and our lender. Copies of documents pertaining to this application and subsequent grant (if approved) may be provided to my/our REALTOR® and our lender. I/We authorize the PWRCF to verify any and all information provided on my/our application.

Each Applicant is required to sign. Please make copies as necessary.

Applicant Signature: _____

Date: _____

Applicant Printed Name: _____

Co-Applicant Signature: _____

Date: _____

Applicant Printed Name: _____

***DON'T FORGET TO SUBMIT THE REQUIRED DOCUMENTATION
WITH YOUR COMPLETED APPLICATION.***

Pacific West Association of REALTORS®
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714.245.5500
Tax ID #03-0511249

www.pwr.net/openingdoors