



H. PROGRAM ADMINISTRATION

1. Oversight

Oversight and managing of the day to day business, negotiations, purchasing of land, construction and maintenance of homes will fall to the HOMEBuyer Program committee, made up of the following:

1. Chairperson or designee of the Quality of Place Council
2. Chairperson or designee of the Fort Fairfield Town Council
3. Town Manager
4. Economic and Marketing Director
5. Community Development Director

2. Priority

Inquiries will be processed on a first-come, first-served basis. QOPC shall use the Purchase and Sale Agreement date to establish the order of priority.

- a. Economic Development Department staff is the contact person designated as the Quality of Place Council representative to process applications in Fort Fairfield.

3. Insurance

The participant is required to maintain fire, liability and other hazard insurance on the property for the full term of the loan and for an amount at least equal to the total value of all mortgages held on the property, or an amount at least sufficient to cover coinsurance requirements in the State of Maine. The Town will be named as a mortgagee on the policy and the participant shall provide evidence of insurance.

4. Assumability

The HOMEBuyer Loan is not assumable or transferable.

5. Subordination –

Subordination of the HOMEBuyer loan is generally not allowed. Exceptions will be made for documented emergencies on a case-by-case basis by QOPC. QOPC may request documentation in order to evaluate the request. Refinancing may be allowed for the following reasons:

- a) limited to the existing first mortgage balance plus reasonable closing costs if refinancing places owner in a better economic situation and does not diminish the Town's financial position in the property;
- b) exorbitant medical expenses;
- c) loss of spouse;
- d) documented building system failure (two estimates from reputable contractors); or
- e) legal expenses incurred that would affect the health or stability of the household.



6. Monitoring –

A recipient of HOMEBuyer funds is required to own and occupy the property purchased with HOMEBuyer funds as a principal residence for the specified period of time. Staff will monitor ownership during the recapture period. A default shall occur if the owner ceases to occupy or attempts to transfer the interest in the subject property, or fails to respond to requests for occupancy documentation and the HOMEBuyer loan shall come immediately due.

7. Conflict of Interest

No elected or appointed official or employee of the Town of Fort Fairfield and no members of any municipal board or committee which exercises any decision making functions with respect to the QOPC, shall participate in negotiating or shall exercise any influences in awarding or administering any contract in which he has a direct or indirect pecuniary interest as that terms is defined by 30A M.R.S.A. Section 2605.

FORT FAIRFIELD

- A PASSION FOR COMMUNITY -

Family
HOMEBuyer
Program
Guidelines



FORT FAIRFIELD HOMEBuyer Program Guidelines



A. INTRODUCTION

The Town of Fort Fairfield, through the Investment Strategy process, identified that Promoting Residential Development and Growth is critical for a community to sustain a viable economic environment. A sub-committee of the Quality of Place Council was formed to establish programs that would aid in the increasing inventory of quality and affordable single-family housing.

After review, Meadow Lane was identified as a target area for development. This area has been subdivided into 20 house lots. Two lots have been sold, leaving the availability of nine double lots. This area was targeted because of its availability, close proximity to downtown, schools, proposed health clinic, infrastructure and utilities already in place.

Though Meadow Lane is the target area for residential neighborhood development, the Quality of Place Council may initiate home construction or rehabilitation in other areas of Fort Fairfield, providing the intent and spirit of the HOMEBuyer Program are met.

To implement the HOMEBuyer Program, the Quality of Place Council would secure a property in Fort Fairfield, rehab or build a home that would appeal to the targeted group and sell the home in such a way that the owner would realize equity after maintaining residency for a designated period of time. The cost savings realized through frugal purchases and contracting would allow for the amount needed to adequately incentivize and facilitate the sale. The intent is to have the appraised value come in at approximately 20% over the finished cost, allowing for that margin to be used as the incentive amount. The Quality of Place Council is partnering with The County Federal Credit Union and other local financial institutions, to create a finance-marketing package to aid in facilitating the HOMEBuyer Program.

B. PROGRAM OBJECTIVE

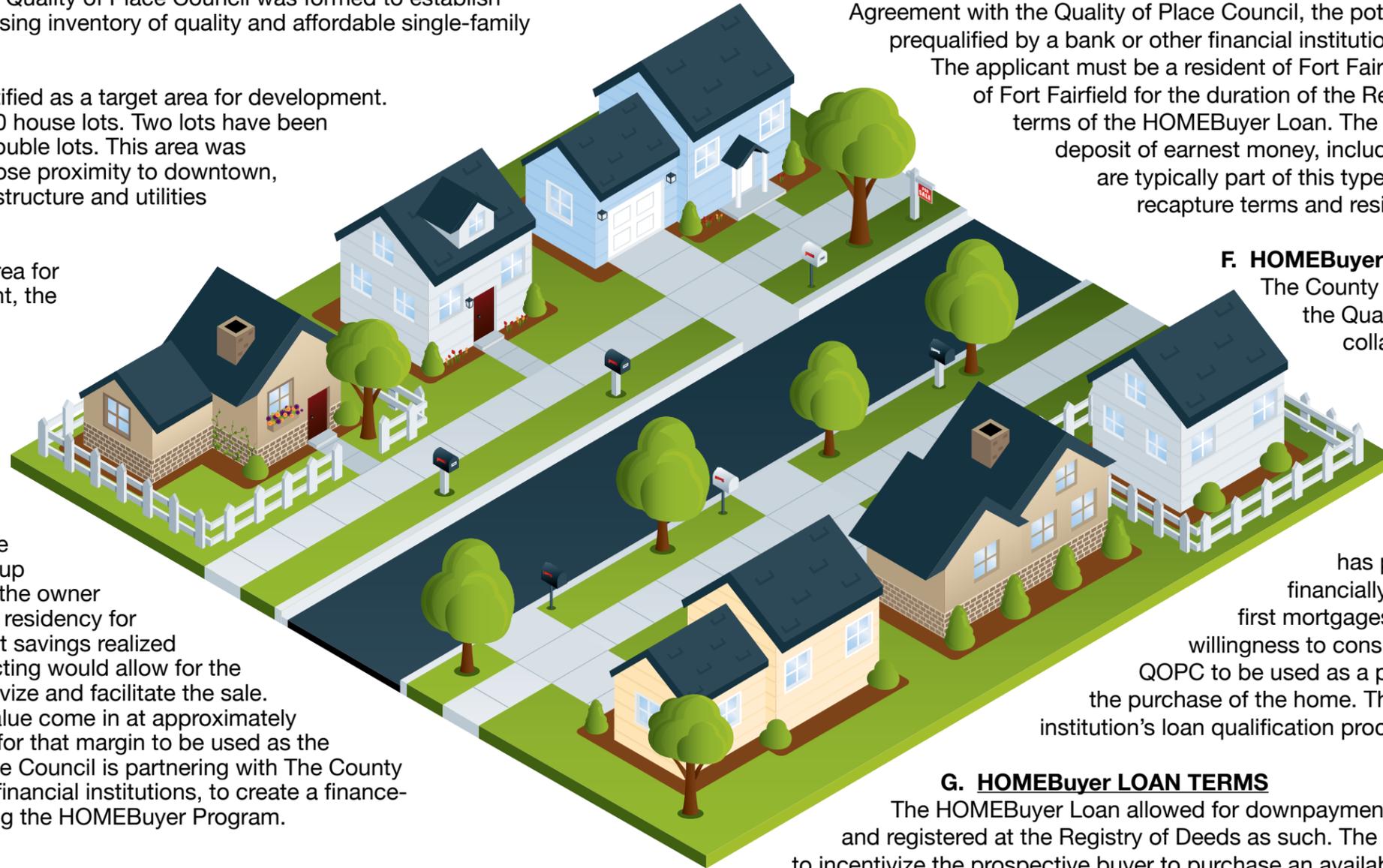
The objectives of the HOMEBuyer Program are to make home ownership affordable for families and to increase owner occupancy in Fort Fairfield. The HOMEBuyer Program primary goal is to enhance the in-migration of families to live in Fort Fairfield, raise and educate their children here and add to the overall vitality of the community.

C. OUTREACH

The Economic Development Department staff is responsible for providing outreach to encourage a full range of potential clients. This shall be accomplished through marketing on the community website, newspaper articles, real estate agents and advertising the availability of inventory within the HOMEBuyer Program. Advertisements shall include a non-discrimination statement.

D. PARTICIPANT ELIGIBILITY

The applicant(s) must have the ability to obtain standard financing or provide their own funds to make the purchase. Prior to entering into a Purchase and Sale Agreement with the Quality of Place Council, the potential purchaser must be financially prequalified by a bank or other financial institution and demonstrate credit worthiness. The applicant must be a resident of Fort Fairfield or agree to become a resident of Fort Fairfield for the duration of the Recapture Period as outlined by the terms of the HOMEBuyer Loan. The Purchase and Sale Agreement with a deposit of earnest money, including all the other standard items that are typically part of this type of agreement, will also include the recapture terms and residency requirement terms.



F. HOMEBuyer Program Financing

The County Federal Credit Union (CFCU) and the Quality of Place Council (QOPC) are collaborating to establish a program for homebuyers to purchase homes in Fort Fairfield. Though CFCU is very familiar with the HOMEBuyer program, the Quality of Place Council is very willing to work with any financial institution of the purchaser's choosing. CFCU has policies and procedures in place to financially qualify applicants and facilitate home first mortgages. Of significant importance is CFCU's willingness to consider a HOMEBuyer Loan provided by QOPC to be used as a partial or full down payment toward the purchase of the home. The QOPC will rely on the financial institution's loan qualification procedures to ensure applicant viability.

G. HOMEBuyer LOAN TERMS

The HOMEBuyer Loan allowed for downpayment will be treated as a second mortgage and registered at the Registry of Deeds as such. The intent of the HOMEBuyer Loan is to incentivize the prospective buyer to purchase an available new home in Fort Fairfield. The maximum HOMEBuyer loan shall be based on the sale price of the house and be up to 20% of the sale price. The HOMEBuyer loan is an interest-free loan that will be forgiven once the applicant has completed the Term of Recapture. Generally, the HOMEBuyer Loan recapture forgiveness term is five years, however, the Quality of Place Council may increase or decrease the length of time based on the amount of commitment and circumstances. Upon meeting the recapture term, the principle will be forgiven and the homeowner will no longer be bound by the terms of the HOMEBuyer Loan Program. The recapture period shall commence at date of closing. If the property is sold, transferred, or the purchaser ceases to occupy the property prior to the end of the recapture period, the principal of the HOMEBuyer loan shall be immediately repaid to the Quality of Place Council prior to discharge of the deed.