



CITY OF BINGHAMTON AMERICAN
RESCUE PLAN ACT (ARPA) -
AFFORDABLE HOMES PROGRAM
HANDBOOK

BROOME COUNTY LAND BANK CORPORATION
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The Handbook's Purpose

The Broome County Land Bank Corporation's ("BCLBC") Affordable Homes Program is intended to provide quality affordable homeownership opportunities to low-to-moderate income ("LMI") individuals and families. In partnership with the City of Binghamton, the BCLBC received funding through the American Rescue Plan Act ("ARPA"), which is being administered by the City of Binghamton. The BCLBC's intent with the funding is to acquire substandard single-family homes in the City of Binghamton, invest ARPA dollars to rehabilitate each home to livable condition, and market the completed properties to LMI households.

This handbook is provided as a guide to understanding the BCLBC's Affordable Homes Program funded by ARPA. It is intended to assist interested LMI households in preparing for the expectations and requirements of the program, but not a definitive representation of all program policies and does not supersede contract provisions.

Affordable Homes Program funded by ARPA

The BCLBC has received ARPA funding from the City of Binghamton to assist with the rehabilitation and sale of 10 to 12 single-family homes located across the City of Binghamton. In order to qualify to purchase one of these homes, the LMI household must meet the criteria found on page four (4), Section three (3) of this Handbook, “Qualifying for the Program.”

The BCLBC entered into an Agreement with the City of Binghamton to acquire and renovate several homes that will be made available for purchase by LMI households. Staff from the BCLBC will work with a local realtor to market the homes and interested buyers will be qualified upon receipt of purchase offers.

As part of the selection process, advancement of submitted purchase contracts will be prioritized for initial review based on the highest purchase offer(s) received. Final selection would then be ranked by amount offered after a two-week listing period. In cases where there are competing equal purchase offers, some factors that could be taken into consideration would be the order in which the offer was received, family size in relation to the number of bedrooms available in the unit, and any other factors deemed appropriate by the BCLBC.

Qualifying for the Program

To qualify to purchase an Affordable Home funded by ARPA, interested buyers must meet the following guidelines:

1. The interested buyer’s Principal Residence for the year immediately preceding the date of the purchase offer was in Broome County or an adjoining county. The term “Principal Residence” means the property that the buyer uses as his or her residence. If the buyer uses more than one property as his or her residence, the buyer’s Principal Residence is the property in which the buyer lives for the majority of the time during the year and not less than half of the year.
2. It’s recommended that the interested buyer complete a Department of Housing & Urban Development (“HUD”) certified pre-purchase counseling course and if completed to provide proof of a certificate up until the time of closing. The BCLBC suggests that interested buyers participate in Metro Interfaith’s Binghamton Homeownership Academy (BHA) which is HUD-certified: <https://binghamtonhomeownershipacademy.org/> Completion of this program is at no cost. Income eligible individuals may qualify for down payment & closing cost assistance by completing Metro’s BHA.
3. The interested buyer’s adjusted gross income must not exceed the following limits for the size of their household:

| FY2024 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| MOD INCOME (100% AMI) | \$62,100 | \$71,000 | \$79,900 | \$88,700 | \$95,800 | \$102,900 | \$110,000 | \$117,100 |

4. As it relates to the consideration of family size in the event of competing equal purchase offers, the Binghamton Housing Authority’s (“BHA”) occupancy standards for family size may be considered and used: <http://binghamtonha.org/PageZoneSiteResources/BHA/Resources/file/ACO%2005%20Occupancy%202020.pdf>. The BHA’s standards are as follows¹:

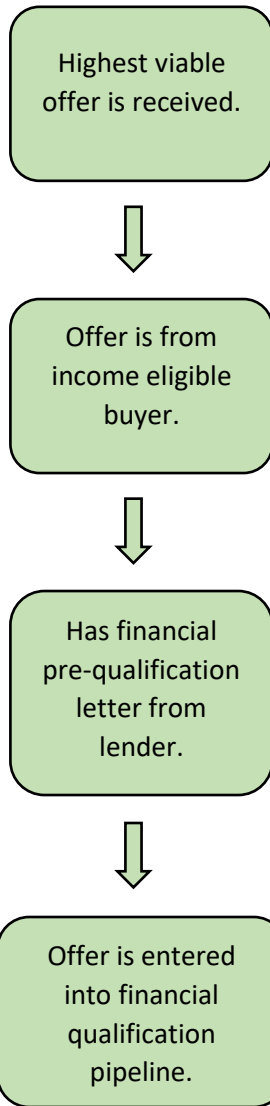
| BEDROOM SIZE | MINIMUM NUMBER OF PERSONS | MAXIMUM NUMBER OF PERSONS |
|--------------|---------------------------|---------------------------|
| 2 | 2 | 4 |
| 3 | 3 | 6 |
| 4 | 4 | 8 |

5. The interested buyer’s annual income for determining eligibility is calculated based on IRS Form 1040 Adjusted Gross Income method. This includes:
 - a. All wages, salaries, and tips.
 - b. Taxable interest and dividend income.
 - c. Taxable amount of IRA distributions.
 - d. Taxable amount of pensions and annuities.

¹ Please note that the BHA’s Occupancy Standards chart has been consolidated for the purposed of this guidebook.

- e. Taxable amount of social security benefits.
 - f. Capital gain or loss.
 - g. Other income from Schedule 1, line 9 of IRS Form 1040.
 - h. Income calculations shall not include any adjustments to income from Schedule 1, line 22 of IRS Form 1040.
6. The interested buyer must be able to secure private financing through a lending institution. The buyer must also be able to provide a pre-approval letter from the lender. **The BCLBC does not finance the purchase of our Affordable Homes.**
7. The interested buyer's estimated monthly housing expense including primary mortgage payment, private mortgage insurance, property and school taxes, home insurance, etc. must not exceed 36% of the buyer's monthly household income.
8. The interested buyer's total debt-to-income ratio must not exceed 40%.
9. The interested buyer must agree to and execute upon closing a restrictive covenant, also known as a "deed restriction." The deed restriction will be filed by the BCLBC as an attachment to the deed of the home following closing and will run for a period of 10 years. Deed restrictions have been utilized by the BCLBC on several occasions to ensure the long-term affordability of our homes. This document will include a total development subsidy figure but will not have a recapture schedule. The purpose of the document is to restrict future sales to income eligible buyers as use of affordable housing. See attached example.

Qualified Buyer Selection Criteria & Process



Financing

The financing of an Affordable Home funded by ARPA, will be facilitated as follows:

1. The interested buyer must secure private financing through a lending institution. The BCLBC is able to provide lender recommendations upon request. Financing from any institution will be acceptable so long as a pre-approval letter is provided at the time of an offer. Below are several options for borrowers:
 - a. One of the options for financing is the Federal Housing Administration (“FHA”). FHA loans are typically offered in 15-year and 30-year terms with fixed interest rates. Borrowers must pay FHA mortgage insurance premiums (“MIP”), which is designed to protect the lender if the borrower defaults. Mortgage insurance is required on most loans when borrowers put down less than 20%. All FHA loans require the borrower to pay two mortgage insurance premiums:
 - i. Upfront MIP: 1.75% of the loan amount, paid when the borrower receives the loan; this premium can be rolled into the financed loan amount.
 - ii. Annual MIP: 0.45%-1.05%, depending on the loan term (15 years vs. 30 years), the loan amount and the initial loan-to-value ratio (“LTV”); this premium amount is divided by 12 and paid monthly.As an example, if a borrower was to qualify and request \$100,000 in FHA financing, the upfront MIP would be \$1,750 and the borrower’s annual premium would range from \$450 (\$37.50 per month) to \$1,050 (\$87.50 per month), depending on the term. On more recent FHA loans, MIPs will be canceled after 11 years for most borrowers if they finance 90% or less of the property’s value – in other words, for those who put at least 10% down and stay current with their monthly mortgage payments. Loans with an initial LTV ratio greater than 90% will carry insurance until the mortgage is fully repaid.
 - b. State of New York Mortgage Agency (“SONYMA”) financing is also an option: <https://hcr.ny.gov/sonyma-programs>. They have two primary mortgage programs, Achieving the Dream and Low Interest Rate. Both options come with a 30-year term with fixed interest rates. Same as FHA, borrowers must pay MIP with less than a 20% down payment. Both options require the borrower to be a first-time homebuyer and the borrower provides a down payment of at least 3%. Here are some FAQs: <https://hcr.ny.gov/sonyma-borrower-faqs>
 - i. Borrowers may be eligible for a Down Payment Assistance Loan through SONYMA. However, acceptance of this additional assistance will include a 0.375% higher interest rate on the primary SONYMA mortgage. Borrowers will be required to put down at least 1% of the value of the property. For example, if the FMV is \$250,000, borrowers will need to put down at least \$2,500.
 - c. Conventional financing is an option. Conventional loans are originated, backed and serviced by private mortgage lenders like banks and other financial institutions. Conventional loans are offered into two categories: conforming and nonconforming depending on whether they conform to guidelines set by the

Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). To be approved for conventional financing, lenders typically require credit scores of 660 or better. Various lenders may offer a range of down payment requirements, some as low as 3 or 5%. However, similar to FHA and SONYMA, borrowers must pay MIP with less than a 20% down payment. Conventional financing allows for flexible loan terms – most mortgage loans are repaid over a 30-year term. Interest rates will largely depend on the borrower's credit score and overall credit history.

Required Documentation

The following documents must be submitted with your application:

1. A signed copy of your **2023** Federal Income Tax return and all applicable schedules with the W-2s and Form 1099s.
2. Copies of all household social security cards (“SSN”), birth certificate or green card reinforcing that all household members are U.S. citizens or resident aliens.
3. Copies of the past 12 months of utility bills (e.g., NYSEG, municipal water/sewer, Spectrum, etc.) that proves residency in Broome County or an adjoining County.
4. Payroll stubs (last 8 consecutive weeks) – showing Year-to-Date (“YTD”) earnings.
5. Proof of any other income including but not limited to:
 - a. Pension income: letter for company stating amount, or annual tax statement.
 - b. Social Security or SSI benefits: statement of benefits. This can be obtained by calling the Social Security Office.
 - c. Social Service benefits
 - d. Disability benefits
 - e. Unemployment benefits
 - f. Contributions from separated spouse or family: letter from Family Court or Supreme Court order showing maintenance payment, alimony or child support.
 - g. Income from savings (including IRA, Keough, Certificates of Deposit, Time Certificates, Treasury Bills, Money Market Accounts and Savings Bonds): Statement from financial institution showing 2023 interest and balance as of December 31, 2023.
 - h. Income from stock, bonds, securities and mutual funds: statement showing dividends paid for the year ending December 31, 2023 and the number of shares owned.
 - i. Rental income: tax return or statement from tenant
 - j. Self-employment income: copy of schedule C from tax return
 - k. Any other monies regularly received by household members.
6. Current bank statements for all checking and savings accounts

Program Acknowledgement

The following program acknowledgement form shall be submitted in conjunction with a purchase offer.

I, _____, hereby acknowledge that I have received a copy of the Broome County Land Bank Corporation's Affordable Homes Program funded by ARPA Homeownership Handbook, have read and understand the expectations and requirements of the program, and agree to comply with the expectations and requirements of the program in regards to my purchase offer of \$_____ for

[INSERT ADDRESS]

I also acknowledge that the BCLBC does not provide or cover the cost for an Abstract of Title for the above listed property, and that if I wish to obtain or order an Abstract of Title, it must be done at my expense ____ (initial)

SIGNATURE

PRINTED NAME

SIGNATURE

PRINTED NAME

DATE

Property Purchase Application

The following property purchase application will need to be completed and submitted for BCLBC review following advancement of a purchase offer.

PURCHASER INFORMATION

Name(s): _____

Physical Address: _____

Phone: _____ Phone: _____

Email: _____

Please list the following information about YOURSELF and EACH PERSON in your household:

| Last Name | First Name | M.I. | Relationship to Head of Household | Age | Date of Birth |
|-----------|------------|------|-----------------------------------|-----|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Please list the following information about YOURSELF and EACH PERSON in your household:

| Name | Income Source (Regular Earnings, Social Security, Public Assistance, Child Support, Alimony) | Gross Income (Hourly, Weekly, Monthly or Yearly) | Employment Status (Full- Time/Part- Time) | Employer Name |
|------|--|--|--|---------------|
| | | | | |
| | | | | |
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| | | | | |
| | | | | |

Please list the following ASSET information about YOURSELF and EACH PERSON in your household:

| Name | Type of Asset (Checking and/or Savings Account, Stocks, Bonds) | Bank Name |
|------|--|-----------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| | Yes | No |
|--|-------|-------|
| Do you own any other properties in Broome County? | _____ | _____ |
| Do you have a personal or professional relation with the BCLBC, any of its Directors or employees? | _____ | _____ |
| Are there any outstanding judgments against you? | _____ | _____ |
| Have you filed for bankruptcy in the past 7 years? | _____ | _____ |
| Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? | _____ | _____ |
| Are you a party to a lawsuit? | _____ | _____ |
| Are you a first-time home buyer? | _____ | _____ |
| Have you completed a HUD-certified pre-purchase homeownership counseling course? | _____ | _____ |

PROPERTY

Address of the property that you are interested in purchasing:

ATTACHMENTS

Please include all applicable attachments:

- Required Documentation as stated on page 9 of this handbook
- Copy of applicant's photo ID
- HUD-certified Pre-Purchase Homeownership Course certificate of completion
- List of other properties owned in Broome County (if applicable)

PRIVACY ACT NOTICE

This information in this application is to be used by the entity collecting it or its assignees in determining your qualification for the program. It will not be disclosed outside the agency except as required by law. You do not have to provide this information, but if you do not, your purchase offer and potential approval may be delayed, limited, or rejected.

AUTHORIZATION & CONSENT

I (we) hereby apply for assistance from the Broome County Land Bank Corporation to purchase an Affordable Home funded by ARPA. I (we) have read the accompanying Handbook and if selected, agree to comply with all expectations and requirements as outlined in "Qualifying for the Program" on page 4 including but not limited to executing a restrictive covenant enforced by the BCLBC.

I (we) hereby certify that the above statements are true, accurate, and complete to the best of my (our) knowledge and belief. False statements made knowingly by applicant will disqualify the applicant from participation in the program and may be subject to prosecution.

I (we) hereby consent and authorize the Broome County Land Bank Corporation and its authorized agent(s) to obtain verification of information required for compliance within the regulations of this program.

This application does not guarantee transfer and/or sale of the property. All sales are subject to approval by the Broome County Land Bank Corporation Board of Directors.

Signature

Date

Name (print)

Signature (co-applicant)

Date

Name (print)

The following information is requested by the Federal Government in order to monitor compliance with Federal Laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Check applicable box:

- White
- Black/African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian/Other Pacific Islander
- American Indian/Alaskan Native & White
- Asian & White
- Black/African American & White
- American Indian/Alaskan Native & Black/African American
- Other Multi-Racial
- Asian/Pacific Islander
- Hispanic

Federal and State Law prohibit discrimination on the basis of age, sex, race, nation or ethnic origin, handicap or familial status. The Broome County Land Bank Corporation is committed to serving its community without discrimination and will comply with all rules and regulations regarding Fair Housing. The following data is for statistical purposes only and will not be used by any local, state or federal agency in making decisions regarding assistance.

Sex of Head of Household:

- Male
- Female
- Other

Age of Head of Household: _____ years of age

Is any member of household handicapped?

- Yes
- No

Is any member of household disabled?

- Yes
- No

Please sign, date and return to:

Broome County Land Bank Corporation
Attn: Jessica Haas or Robert O'Donnell
60 Hawley Street, 5th Floor
Binghamton, NY 13901

Or email to Jessica.Haas@BroomeCountyNY.Gov or Robert.O'Donnell@BroomeCountyNY.Gov

Real Property Tax Re-Levy Acknowledgement

Under Chapter 50-A, Article 5, Title 1, Section 520 of the New York State Real Property Tax (RPT) Law, the City of Binghamton has the authority to re-levy taxes at the time of title transfer. Since the BCLBC is a wholly tax-exempt organization, when the buyer purchases the home, the property is no longer tax-exempt. The City of Binghamton will prorate the tax amount owed based on how long in the fiscal year the BCLBC owned the property.

For example, if the buyer purchases and closes on the home on July 1st, the BCLBC has owned the property for six months, and the buyer will own it for six months. Therefore, the period of July through December becomes taxable. If the total property tax bill for that fiscal year is \$2,000, the City of Binghamton will re-levy \$1,000 in property taxes onto the January County and City tax bill the following year.

Any future questions regarding this re-levy should be directed to the City of Binghamton's Assessor's Office.

The following acknowledgement form shall be submitted in conjunction with a purchase offer.

I, _____, hereby acknowledge that I have received a copy of the above acknowledgement as part of the Affordable Homes Program funded by ARPA Homeownership Handbook, and that I have read and understand the above re-levy process, and what may be required in terms of future tax and/or escrow payments on the following property:

[INSERT ADDRESS]

SIGNATURE

PRINTED NAME

SIGNATURE

PRINTED NAME

DATE

SCHEDULE “B”

Restrictive Covenant

SUBJECT TO a restrictive covenant that shall run with the land for a period of ten (10) years from the date of recording of this deed and requires that the Grantee owns and resides (as a principal residence) in the property at [INSERT PROPERTY ADDRESS]. This conveyance is made and accepted with the condition that, in consideration of development funding in the amount of \$[INSERT AMOUNT] secured from Broome County Land Bank Corporation, Housing Trust Fund Corporation, and the City of Binghamton. Funding, the use and resale of the property conveyed is restricted to use as affordable housing and shall meet the required affordability standards for a term of 10 years from project completion. This resale restriction shall be enforceable by Broome County Land Bank Corporation and may not be altered or removed prior to the expiration of the term set forth herein without the written permission of that entity.

The restrictive covenant is subject and subordinate to a Purchase Money Mortgage given by grantee to [LENDER], its successors and/or assigns on [CLOSING DATE]. Any party, and their successors or assigns, (other than the Grantee or related entity or person to the Grantee) receiving title to the property through a trustee’s sale, a judicial foreclosure or deed-in-lieu of foreclosure of such Purchase Money Mortgage, and conveyance or transfer thereafter, shall receive title free and clear of the provisions of these Restrictive Covenants.

Buyer’s Signature: _____
[Insert name of buyer]

Date: _____

Buyer’s Signature: _____
[Insert name of buyer]

Date: _____