

State of Utah Law Enforcement and Correctional Officer Assistance Program

Assistance Program and Repayment Mortgage Application Disclosure

Officer Information	
Officer Name:	Lender:
Officer Current Address: _____ _____	
City	State Zip
Purpose	
<p>To disclose the terms of the Utah First-time Homebuyer Law Enforcement Program. The State of Utah, through Utah Housing, has appropriated program funds to be used to recruit and retain Law Enforcement Officers in Utah.</p> <p>The completion of the Assistance Program Application and Disclosure does not entitle nor ensure that the Officer will be granted funds under the program.</p>	
Program Scope	
<ul style="list-style-type: none">• Assist officers who are (generally) first-time homebuyers.• Program reservations will be issued on a first come, first-serve basis.• A Utah Housing Approved Lender must request program funds from Utah Housing to be reserved for the Officer after the Officer has pre-qualified for a mortgage. Program funds can be reserved while an officer is looking for a home.• The First Mortgage Loan must be a Utah Housing Loan and be purchased and serviced by Utah Housing.• A letter of participation may be included in the Officer's personnel file to verify employment retention.• The Officer should consult with a tax professional regarding the potential effect of the program being forgiven on federal and state taxes.	
Terms of Assistance Program	
<p>The recipient of the program must be a Law Enforcement or Correctional Officer as defined in Utah, Public Safety Code, Classification Sections 53-13-103 and 53-13-104.</p> <ul style="list-style-type: none">• Officer must be a First-time Homebuyer in Utah as defined in this disclosure.• The program amount is not to exceed \$25,000.• No payment or interest on the program.• A pro-rata portion of the program is forgiven each year the individual is employed in Utah as an officer and occupies the home as their primary residence.• It may be used for the down payment and closing costs to purchase a home.• It may be combined with Utah Housing's down payment and closing cost assistance second mortgage. For loans where the Officer:<ul style="list-style-type: none">a. Closes with a Utah Housing Second Mortgage, the second mortgage interest rate may be as low as 4%, based on current market conditions.b. Does not close with a Utah Housing Second Mortgage, the first mortgage interest rate will be reduced by up to .5% based on current market conditions.• The Program Administrator funding the Assistance Program for the State of Utah. <p>Utah Housing Corporation 2479 South Lake Park Blvd, West Valley City, UT, 84120 Email: grantprograms@uthc.org</p>	

First-Time Homebuyer

- The Officer must be a first-time homebuyer defined as:
 - Not having had an ownership interest in a primary residence in the past 3 years.
 - A single parent who has at least one dependent child, regardless of previous homeownership interest.
 - Loss of spouse and party no longer occupies nor has an ownership interest in a previously owned home.
- If relocating from out of state, the first-time homebuyer requirement is waived:
 - If a purchase is completed within 6 months of the work-start date in Utah.

Occupancy/Rental

Occupancy

The Officer must occupy the residence as a primary residence within 30 days of closing and continue to occupy the residence throughout the term of the Law Enforcement Assistance Program.

Rental

- The Law Enforcement Assistance Program permits the Officer to rent a portion of the home, such as a mother-in-law apartment or an Accessory Dwelling Unit, if the Officer continues to occupy the residence as their Primary Residence and the rented portion meets all state and local and Utah Housing loan program requirements.
- If the Officer moves to another community and the Officer cannot or does not want to sell the home in connection with or immediately following such a move, the Officer may rent the home temporarily, so long as the Officer remains an Eligible Employee.

Eligible Properties

- Single-family home (can include a mother-in-law apartment or accessory dwelling unit).
- Manufactured Home or small home placed on a permanent foundation.
- Condominium, Townhome, a home in a Planned Unit Development (PUD, Twin Home).
- One-to-unit dwelling if at least one of the units is occupied by the Officer as their Primary Residence throughout the term of the Law Enforcement Assistance Program.

Ineligible Properties:

- Investment properties, vacation rentals, second homes, and other similar types of properties.

Satisfaction of Terms of Assistance Program

- If the Officer is a full-time Eligible Employee after the 60 months, Officer shall have their employer provide to Utah Housing documentation of the Officer's continuous employment as an Eligible Employee. If such documentation demonstrates that Officer has remained an Eligible Employee for the entire 60-month period, the terms of this Rider shall be considered fully satisfied and Officer shall have no further obligations.

Tax Matters

1. A percentage of the program will be forgiven each calendar year; the percentage is to be calculated by dividing the number of full months during the applicable portion of the 60 months within each calendar year.
2. Officer may receive an IRS Form 1099 if Officer fails to satisfy the terms of the program and fails to fulfill all repayment obligations.
3. Officer should consult with a tax professional regarding the potential effect of such forgiveness of the Officer's federal and state taxes.

Possible Partial Repayment of Assistance Program

- If Officer sells the home before the conclusion of the 60 months, and Officer continues to be an Eligible Employee following the sale, Officer shall not be required to repay Utah Housing any amount at the time of the sale.
- If Officer sells the home before the conclusion of the 60 months, and Officer is not an Eligible Employee following the sale, Officer agrees to repay the Required Prorated Amount to Utah Housing in cash in connection with the sale of the home.
- If Officer ceases to be an Eligible Employee before the conclusion of the 60 months, and Officer still owns the Home at such time. The Officer agrees to pay Utah Housing the Required Prorated Amount by making equal monthly payments over five years (with no interest), such payments to begin on the first day of the month following the 61st monthly payment under the first lien mortgage, with such other terms and conditions as Utah Housing shall prescribe.

Requesting an Assistance Program Reservation

- The Officer should request the lender to submit a Reservation of program funds to Utah Housing
- The Officer should receive a Program Reservation Agreement from Utah Housing.
- Title Company will request the program funds from Utah Housing at least 3 business days before Closing.
- Program funds will be wired to the Title Company for the Officer to use to purchase the home.

Expiration/Extension of Assistance Program Reservation Agreement

- Once a Reservation Agreement is issued, the Officer will have 120 days to close.
- Extension requests can be requested 10 days before the 120 days have expired. Extension requests will be considered upon receipt of an updated pre-qualification letter and explanation from the Officer regarding the delay in purchasing a home.

It is understood that a copy of this form will serve as authorization.

The Officer hereby certifies to Utah Housing Corporation on behalf of the State of Utah as follows:

1. The Officer has read and understands the information in this Disclosure.
2. The Officer is a full-time Utah Law Enforcement or Correctional Officer.
3. If the Officer ceases to be an Eligible Employee before the conclusion of the 60 months, a pro-rata portion of the program must be repaid.
4. The Officer may receive an IRS Form 1099 if the Officer fails to satisfy the terms of the program and fails to fulfill all repayment obligations. The Officer acknowledges that the Officer should consult with a tax professional regarding the potential effect of such forgiveness of the Officer’s federal and state taxes.
5. The funds granted to the Officer for the down payment and closing costs are funded by the State of Utah, a governmental agency.

The undersigned Officer certifies they have read and understand the requirements as explained in this disclosure.

Signature

Date

State of Utah Law Enforcement and Correctional Officer Assistance Program

Assistance Program and Repayment Mortgage Application Disclosure

Officer Name:	Loan #:
Authorization	
The undersigned Officer certifies that they understand the terms of the Law Enforcement Assistance Program Disclosure and authorizes Utah Housing to	
<ul style="list-style-type: none">• Order one or more consumer credit reports as needed for the term of the Assistance Program.• Verify other information, including but not limited to past and present employment information.	
This authorization will be effective for the entire term of the program plus six months from the date the Officer received the program funds.	
_____ <i>Signature</i>	_____ <i>Date</i>
Utah Housing Corporation 2479 South Lake Park Blvd. West Valley City, UT 84120	
www.utahhousingcorp.org grantprograms@uthc.org 801-307-9733	