

SCOTT COUNTY CDA'S HOMEOWNER EDUCATION AND COUNSELING PROGRAM APPLICATION

To participate in Scott County CDA's Education and Counseling Programs, you must complete the following:

Section 1 - General Application Packet for both Education and Counseling: Pages 2-8

These pages must be completed for **both** the counseling and the education portion of our programs.

- Applicant Information, page 2
- Household & Education Questions, page 3-4
- Education Information, page 4
- Household Income Worksheet, page 5
- Combined Privacy and Tennessee Warning, page 6
- Housing Counseling Program Disclosure, page 7-8

Section 2 – Counseling Specific Forms: Pages 9-11

These pages must be completed for **only** the counseling portion of our programs.

- Homebuyer Counseling Checklist, page 9 -- Please review for a full list of documents required
- Credit Report Authorization Form, page 10
- Homeownership Specialist – Client Agreement, page 11
- Budget Worksheet, page 12

Home Inspection Information: Pages 13-14

These pages are for your reference and do not need to be returned.

TO ENSURE THE TIMELY PROCESSING OF YOUR APPLICATION, PLEASE RETURN ALL COMPLETED DOCUMENTS AND VERIFICATIONS TO:

Mail: Scott County CDA
Attn: Homeownership Department
323 S. Naumkeag St.
Shakopee, MN 55379
Fax: 952-496-2852
Email: cda-info@scottcda.org

*If you have questions, please contact us at 952-402-9022 or by email.

SECTION 1: General Application for Homebuyer Education and Counseling Case # _____

Applicant Information:

Primary Applicant:

Name (First/Last): _____

Email: _____

Primary Phone(s): _____ Mobile Home

Address: _____

City: _____, MN Zip: _____

Social Security #: _____ - _____ - _____

Date of Birth: ____/____/____ (Your age): _____

What gender do you identify as? Male Female
 Trans Male Trans Female Trans Non-Binary
 Non-Binary Other Prefer not to disclose

Highest Level of Education Completed: (mark one)
 Some High School High School Diploma or GED
 Some College or Trade School Associates Degree
 Bachelors Degree Graduate Degree or Higher

Are you a veteran? Yes No

Are you active military? Yes No

Are you living with a disability? Yes No

Do you need an interpreter? Yes No

Preferred Language: English Other: _____

Marital Status: Single Domestic Partnership
 Married Separated Divorced Widowed

What is your race? (mark all) Black or African American
 American Indian or Alaskan Native Asian
 Native Hawaiian or Pacific Islander Caucasian
 Other: _____

Are you Hispanic, Latino, or Spanish origin? Yes No

Were you born outside of the U.S.? Yes No

Do you identify with any of the following immigrant or new American communities? (mark one)
 No British/U.K. Burmese/Karen/Karenni
 Cambodian Canadian Chinese Dominican
 Ethiopian Filipino German Guatemalan
 Haitian Honduran Hmong Indian Kenyan
 Korean Laotian Liberian Mexican Nigerian
 Oromo Russian Salvadorian Somali
 Vietnamese Other: _____

Have you owned a home in the last 3 years? Yes No

Did your parents own a home? Yes No

Are you planning to be on the mortgage?: Yes No

Co-Applicant (if applicable): Relationship to Primary: _____

Name (First/Last): _____

Email: _____

Primary Phone(s): _____ Mobile Home

Address: _____

City: _____, MN Zip: _____

Social Security #: _____ - _____ - _____

Date of Birth: ____/____/____ (Your age): _____

What gender do you identify as? Male Female
 Trans Male Trans Female Trans Non-Binary
 Non-Binary Other Prefer not to disclose

Highest Level of Education Completed: (mark one)
 Some High School High School Diploma or GED
 Some College or Trade School Associates Degree
 Bachelors Degree Graduate Degree or Higher

Are you a veteran? Yes No

Are you active military? Yes No

Are you living with a disability? Yes No

Do you need an interpreter? Yes No

Preferred Language: English Other: _____

Marital Status: Single Domestic Partnership
 Married Separated Divorced Widowed

What is your race? (mark all) Black or African American
 American Indian or Alaskan Native Asian
 Native Hawaiian or Pacific Islander Caucasian
 Other: _____

Are you Hispanic, Latino, or Spanish origin? Yes No

Were you born outside of the U.S.? Yes No

Do you identify with any of the following immigrant or new American communities? (mark one)
 No British/U.K. Burmese/Karen/Karenni
 Cambodian Canadian Chinese Dominican
 Ethiopian Filipino German Guatemalan
 Haitian Honduran Hmong Indian Kenyan
 Korean Laotian Liberian Mexican Nigerian
 Oromo Russian Salvadorian Somali
 Vietnamese Other: _____

Have you owned a home in the last 3 years? Yes No

Did your parents own a home? Yes No

Are you planning to be on the mortgage?: Yes No

HOUSEHOLD QUESTIONS:

1. What is the total number of people in your household? _____
2. How many of those people are children under the age of 18? _____
3. Which best describes your household type? Single Adult 2+ Unrelated Adults Single Parent
 Married/Domestic Partnership with Children Married/Domestic Partnership without Children
4. Have you or the co-applicant received financial services from another agency? (DMP, credit repair, financial, etc.) Yes No
*If yes, please note the type and length of services: _____
5. Are you currently a participant in any other Scott County CDA Housing Program? (Section 8/PBV/ RAD/ Workforce/Rural Development/etc): Yes No
*If yes, which one?: _____
6. Current Housing: Rent Own Staying with Family or Friends Homeless Staying in a Shelter
7. Type of Housing: Single Family Townhome Mobile Home Multi-plex (2-4 units) Apartment (5+ units)
8. Current housing payment: \$ _____/month
9. What is your Household's Annual Gross Income? (you can find this on last year's taxes): \$ _____/year
10. Do you have a checking/savings account? Yes No
11. How much do you have saved for down payment? \$ _____
12. When do you want to purchase? _____
13. Where do you want to purchase? _____
14. Are you working with a lender? Yes No
*If yes, who?: _____
15. Have you applied for a mortgage loan? Yes No
16. Are you pre-qualified for a loan? Yes No
17. Are you working with a realtor? Yes No
*If yes, who?: _____
18. Have you signed a purchase agreement? Yes No
*If yes, please complete the following:

Purchase property address: _____
City, State, Zip: _____
Purchase price: \$ _____ Loan amount: \$ _____ Loan interest rate: _____ %
Closing date: _____ Lender (Bank/Mortgage Co.): _____
Loan program (FHA, RD, etc.): _____

**Please note that you must complete Homebuyer Education Workshop and Pre-purchase Counseling PRIOR to signing a purchase agreement to be considered for a Scott County CDA grant.*

19. Have you experienced a home foreclosure within the last 3 years? Yes No

*If yes, complete the following:

Purchase property address. _____
City, State, Zip: _____
Reason for hardship: _____

Steps taken to overcome hardship: _____

20. How did you hear about us? CDA Mailer, Flyer, or Brochure Newspaper Lender/Mortgage Co
 Attorneys/Legal Team Friend or Relative Internet Another Agency: _____

21. Have you previously completed a Home Stretch workshop in-person? Yes No

*If yes, provide the date and location: _____

*If no, please select one:

I would like more information about upcoming Home Stretch Courses

I plan to attend the Home Stretch Course scheduled for: ____/____/____

I plan to or have already attended a Framework course

I am not interested in education at this time, only counseling

22. Have you previously completed a Framework course online? Yes No

*If yes, provide the date completed: _____

* Please note, completion of counseling and either education option – Home Stretch or Framework – is required PRIOR to signing a purchase agreement to be eligible for the First-time Homebuyers grant. If you have completed one of the two education options, you do not have to complete the other. Scott County CDA is accepting Framework completion certificates dated April 01, 2020 and after.

Homebuyer Education Information:

Scott County CDA now offers two ways to attend Homebuyer Education courses!

Framework Courses

This class is offered online at a “go at your own pace” style course. This option is available at any time and can be completed in as little as one day. The course curriculum is similar to that taught in our in-person classes. The cost is \$75, and both individuals on the application must participate. At the completion and passing of the course, you will receive a certificate verifying your participation.

Please visit <https://scottcda.frameworkhomeownership.org/default.aspx> to register.

Homebuyer’s Club Home Stretch Courses

These courses are offered in-person at a variety of times throughout the year. Home Stretch courses are an eight hour course typically held either on two consecutive nights during the week for four hours or during the day on a Saturday with a lunch break planned. The cost is \$25 per person, and both individuals on the application must register and participate. This course reviews important topics in purchasing a home such as: working with and the difference between lenders and mortgage brokers, what to expect when working with a realtor, the importance of home inspections, and what all goes into closing on a house.

Please visit our website at www.scottcda.org/resource/first-time-homebuyers/ for a current list of future classes and to register. Note: Registration through Eventbrite’s website, payment for the education course, and return of this packet are **all three** required to participate in our in-person education course.

HOUSEHOLD INCOME WORKSHEET

EMPLOYMENT INCOME

Household Member: *Please include information for all adults in your household	Employer Name, Occupation	Start Date	HRS/WK	Hourly Wage	Gross \$ per month (before taxes)	Net \$ per month (take home pay)
				\$	\$	\$
Employment Status:	<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed & Seeking Employment <input type="checkbox"/> Unemployed & Not Seeking Employment <input type="checkbox"/> Retired <input type="checkbox"/> Permanently Unable to Work					
				\$	\$	\$
Employment Status:	<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed & Seeking Employment <input type="checkbox"/> Unemployed & Not Seeking Employment <input type="checkbox"/> Retired <input type="checkbox"/> Permanently Unable to Work					
				\$	\$	\$
Employment Status:	<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed & Seeking Employment <input type="checkbox"/> Unemployed & Not Seeking Employment <input type="checkbox"/> Retired <input type="checkbox"/> Permanently Unable to Work					
				\$	\$	\$
Employment Status:	<input type="checkbox"/> Full Time <input type="checkbox"/> Part Time <input type="checkbox"/> Student <input type="checkbox"/> Homemaker <input type="checkbox"/> Unemployed & Seeking Employment <input type="checkbox"/> Unemployed & Not Seeking Employment <input type="checkbox"/> Retired <input type="checkbox"/> Permanently Unable to Work					

SELF-EMPLOYMENT INCOME

Household Member/ Owner	Name of Business	Start Date of Business	How do you track your income?	Gross \$ per month (earnings)	Net \$ per month (take home pay)
				\$	\$

OTHER SOURCES OF INCOME

(Examples: Child support/Social Security (SSI/SSDI)/Unemployment/Veteran's Benefits/Cash Assistance/Rent Assistance/Other)

Household Member	SOURCES OF INCOME	Gross \$ per month (before taxes)	Net \$ per month (take home pay)
	<input type="checkbox"/> Spousal Support <input type="checkbox"/> Child Support <input type="checkbox"/> SSI <input type="checkbox"/> SSDI <input type="checkbox"/> Investment Income <input type="checkbox"/> Unemployment <input type="checkbox"/> Income from Assets <input type="checkbox"/> Other: _____	\$	\$
	<input type="checkbox"/> Spousal Support <input type="checkbox"/> Child Support <input type="checkbox"/> SSI <input type="checkbox"/> SSDI <input type="checkbox"/> Investment Income <input type="checkbox"/> Unemployment <input type="checkbox"/> Income from Assets <input type="checkbox"/> Other: _____	\$	\$

Scott County CDA
Combined Privacy Act Notice and Tennessean Warning

We at Scott County CDA value your trust and are committed to the responsible management, use and protection of personal information. This notice describes our policy regarding collection and disclosure of personal information. The following programs are funded in part by state, federal government agencies and local agencies:

- Financial Wellness Counseling;
- Homeownership Capacity;
- Homebuyer Education;
- Homebuyer Counseling;
- Home Equity Conversion Mortgage Counseling or Reverse Mortgage Counseling;
- Post Purchase and/or Refinance Counseling;
- Foreclosure Counseling.

*These agencies receive the information described below.

Social Security Numbers

The Privacy Act of 1974 makes it unlawful for any Federal, State, or local government agency to deny your participation in the above referenced programs if you refuse to provide your social security number. If you do not voluntarily provide your social security number services to you may be more limited, but you will continue to be eligible to receive the services we can provide without a social security number.

Other Private Data

Under Minnesota Statutes, your name and address may be public data. All other data we may ask about you is private data on individuals. Agreeing to share your public data is mandatory for participation in the above referenced programs. Sharing your private data is not mandatory for participation in the program. However, if you do not provide private information (such as income, debts, and assets) services to you may be more limited. We collect private data for the purposes of service delivery, program management, compliance, monitoring, research, and program evaluation.

We collect your private information from the following sources:

- Information we receive from you on applications or other forms,
- Information about your transactions with us, and
- Information we receive from a consumer credit reporting agency.

We may disclose private information about you which may include your name, address, social security number, employer, assets, debts, income, credit bureau reports, your credit history and your creditworthiness. We may disclose your private information to the following entities or their representatives identified below or to other entities properly authorized under law to review it.

- Staff at this organization and its partners operating in this program who need it to work on your case;
- Staff of the HECAT funders: Minnesota Housing Finance Agency, Family Housing Fund, Greater Minnesota Housing Fund, and the Minnesota Homeownership Center;
- Staff of the United States Department of Housing and Urban Development (HUD);
- Staff of the Homeownership Capacity funder: Minnesota Housing Finance Agency.

By signing below you agree to allow us to collect and share information as described above; please indicate your approval with your signature, below.

Name (please print) Signature Date

Name (please print) Signature

Verbal acknowledgement is acceptable if information was provided to client in non-face-to-face session.

The undersigned verifies that verbal authorization for release of above confidential information has been given. The client was fully informed of the information contained in this document and understood its nature and intended use of the released information.

Client Name Homeownership Specialist's Signature Date

NOTE: A copy of this notice with Homeownership Specialist's signature has been mailed to the client.

Scott County CDA

Housing Counseling Program Disclosure

NOTE: If you have an impairment, disability, language barrier, or otherwise require an alternative means of completing this form or accessing information about housing counseling, please communicate with your Homeownership Specialist about arranging alternative accommodations.

About Us and Program Purpose:

Scott County CDA is a HUD approved counseling agency. We serve all clients regardless of income, race, color, religion/creed, sex, national origin, age, familial status, marital status, disability, status with regard to public assistance, sexual orientation or gender identity. We administer our programs in conformity with local, state, and federal antidiscrimination laws, including the federal Fair Housing Act (42 USC 3600, et seq.), title VIII of the Civil Rights Act, as well as the Human Rights Act.

Description of Services:

- **Home Buyer Education:** A course offered in a group setting designed to prepare you for the process of purchasing a home.
- **Homebuyer Counseling:** Homeownership Specialists work one-on-one with you to look at what you can afford, explain mortgage terms, and how to prepare and what to expect at closing. Homeownership Specialists also help analyze your current financial situation, review credit and debt, and assist in setting goals to help you achieve homeownership.
- **Foreclosure Counseling:** Assists homeowners who have fallen behind or are in danger of falling behind on their mortgage. Homeownership Specialists guide homeowners through workout options relevant to the particular situation. In cases where foreclosure is unavoidable, Homeownership Specialists help organize an effective exit strategy.

Organization Conduct: No *Scott County CDA* employee, director, volunteer, contractor or agent shall undertake any action that might result in, or create the appearance of, administering counseling operations for personal or private gain, provide preferential treatment for any person or organization, or engage in conduct that will compromise our organization's compliance with federal or state regulations and our commitment to serving the best interests of our clients.

Organization Relationships: *Scott County CDA* has a financial affiliation or professional affiliation with The US Department of Housing and Urban Development (HUD), Minnesota Housing Finance Agency, Minnesota Homeownership Center, Greater Minnesota Housing Fund, Family Housing Fund, and banks including Fargo Home Mortgage.

It is our duty to inform you that *Scott County CDA* and may receive payment for the following services: Homebuyer education, (registration fee), Homebuyer Counseling (credit report fee) and Foreclosure Counseling (credit report fee). If you choose to utilize any of these services, *Scott County CDA* will disclose any associated fees prior to your commitment. You further understand that the above described fee may be paid by you and may be included in your loan amount or real estate purchase agreement. However, you are not obligated to receive any services offered by our organization or exclusive partner(s).

Alternative Services, Programs and Products: **Scott County CDA** as appropriate, refers clients to other community service organizations. These organizations provide services such as emergency shelter, financial assistance, utility assistance and access to other locally available resources.

While you may learn about the advantages/disadvantages of specific services, programs, and products during the education or counseling sessions, you are free to choose the services, programs, and products of your own choosing regardless of the recommendations made by the educator/counselor. You are not

Scott County CDA Housing Counseling Program Disclosure cont'd.

obligated to receive, purchase, or utilize any services offered or referred to by *Scott County CDA* or its partners. It is your responsibility and based on decisions made of your own free will to determine which services, programs, or products best meet your needs.

Quality Assurance: In order to assess client satisfaction and in compliance with grant funding requirements, *Scott County CDA* or one of its partners, may contact you during or after the completion of your housing counseling service. You may be requested to complete a survey asking you to evaluate your client experience. Your survey data may be confidentially shared with *Scott County CDA* funders such as HUD, the Minnesota Homeownership Center and/or the Minnesota Housing Finance Agency.

Errors and Omissions and Disclaimer of Liability: I/we agree *Scott County CDA*, its employees, agents, and directors are not liable for any claims and causes of action arising from errors or omissions by such parties, or related to my participation in *Scott County CDA* counseling; and I hereby release and waive all claims of action against *Scott County CDA* and its affiliates. I have read this document, understand that I have given up substantial rights by signing it, and have signed it freely and without any inducement or assurance of any nature and intend it to be a complete and unconditional release of all liability to the greatest extent allowed by law. If any provision of this document is unenforceable, it shall be modified to the extent necessary to make the provision valid and binding, and the remainder of this document shall remain enforceable to the full extent allowed by law.

***I/we acknowledge that I/we received, reviewed, and agree to Scott County CDA's Program Disclosure.**

Client Name (please print)	Client Signature	Date
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Client Name (please print)	Client Signature	Date
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Verbal acknowledgement is acceptable if information was provided to client in non-face-to-face session.

The undersigned verifies that verbal authorization for release of above confidential information has been given. The client was fully informed of the information contained in this document and understood its nature and intended use of the released information.

Client Name	Homeownership Specialist's Signature	Date
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NOTE: A copy of this notice with Homeownership Specialist's signature has been mailed to the client.

SECTION 2: Homebuyer Counseling Registration Packet

***Only complete the following if you would like to participate in Homebuyer Counseling**

If you are interested in participating in the Homebuyer Counseling Program, please complete and return **both** Section 1 & 2 of this packet. These forms and all requested verifications are listed below. Once the CDA receives all required documents, a Homeownership Specialist will contact you to make a counseling appointment. If you have questions or need assistance in completing the items below, please contact us.

Required Forms for Homebuyer Counseling:

- Section 1: General Application for Homebuyer Counseling and Education, pages 2-7 (completed)
- Homebuyer Counseling Credit Authorization Form, page 9 (completed and signed)
Per the Credit Authorization Form, please provide **either**:
 - \$15/person check or money order for credit report fees
 - Recent credit report & scores, pulled within 60 days for all individuals on the application
**Beginning April 1, 2020, checks and money orders received for credit reports are non-refundable and will be cashed upon receipt.*
- Homebuyer Counseling Homeownership Specialist-Client Agreement, page 10 (signed)
- Homebuyer Counseling Completed Budget and Expense Form, page 11 (completed)

Required Documentation & Verifications for Homebuyer Counseling:

- Last 30 days proof of household income (paystubs, benefit statements, investment income, child support, Social Security, etc.) for all adults in the household
 - If self-employed, provide two years of most recent tax returns
- Two most recent months of bank statements for all adults in the household
- Home Stretch or Framework education course completion certificate (if applicable)
- Signed Purchase Agreement (if applicable)
- Loan Disclosure (if applicable)

Please Return All Documents and Verifications to:

Mail: Scott County CDA
Attn: Homeownership Department
323 S. Naumkeag St.
Shakopee, MN 55379
Fax: 952-496-2852
Email: cda-info@scottcda.org

*If you have questions, please contact us at 952-402-9022 or by email at cda-info@scottcda.org.

SECTION 2: Homebuyer Counseling -- Credit Report Authorization Form

Client Name: _____

DOB: ____/____/____

- Yes.** I would like the SCCDA to obtain a tri-merge credit report. I understand that this is a "soft pull" and will not affect my credit score. I understand that I am responsible for the cost prior to participating in the counseling session. Please submit a check or money order made out Scott County CDA.

Individual report: \$15 OR Joint report: \$30.

Beginning April 1, 2020, fees are non-refundable and will be cashed upon receipt.

Authorization is hereby granted to Scott County Community Development Agency (SCCDA) to obtain a consumer credit report through a credit reporting agency chosen by SCCDA. I understand and agree that SCCDA intends to use the consumer credit report for the purposes of evaluating my credit history. .

I understand that this credit report will be retained on file at the SCCDA office for use only by SCCDA staff. This information will not be disclosed to anyone without my written consent. Furthermore, I understand that I am responsible for the cost for the credit report.

- No.** I do not want the SCCDA to pull a tri-merge credit report. Instead, I will provide a recent (within two (2) months) copy to the SCCDA. **Please provide both report and scores.*

Signatures:

Client 1 Signature: _____ Social Security #: _____ Date: _____

Client 2 Signature: _____ Social Security #: _____ Date: _____

SECTION 2: Homebuyer Counseling -- Homeownership Specialist — Client Agreement

Client Name: _____

DOB: ____/____/____

Homeownership Specialist Roles & Responsibilities:

- Providing services confidentially, honestly and respectfully.
- Reviewing your housing goal and your finances; including income, debts, assets, and credit history.
- In partnership with you, developing a household budget to assist you with managing your debt, expenses, and savings.
- In partnership with you, creating a client action plan with steps that you and your Homeownership Specialist will take in order to achieve your housing goal.
- Presenting reasonable options available based on your current situation.
- Offering referrals to needed resources.
- Providing guidance and education in support of your goal.
- Neither your Homeownership Specialist nor Scott County CDA, employees, agents, contractors, or directors may provide legal advice.

Client Roles & Responsibilities:

- Providing accurate information about your income, debts, expenses, credit and employment.
- Attending meetings, returning calls, and promptly providing requested paperwork.
- Being an active participant in the creation and completion of steps on your Action Plan.
- Notifying a Scott County CDA Homeownership Specialist if your housing situation or goal changes.
- Attending educational workshops (i.e. Homebuyer Education) as recommended.
- Retaining an attorney if seeking legal advice and/or representation in matters such as foreclosure or bankruptcy protection.

Termination of Services: You or the Homeownership Specialist may terminate counseling services at any time. Reasons the Homeownership Specialist may terminate services include, but are not limited to, no progress on the agree-upon Action Plan steps, not responding to a Homeownership Specialist's attempt to contact you, or missing scheduled appointments.

Client 1 Signature: _____

Date: _____

Client 2 Signature: _____

Date: _____

Homeowner Specialist: _____

Date: _____

SECTION 2: Homebuyer Counseling: Budget Worksheet

Client Name: _____

<i>Income</i>	Net	Gross	Notes
Income			
Child Support			
Other			
Other			
Total income			
<i>Housing</i>	Monthly		Notes
Rent			
Renter's insurance			
Total current housing costs			
Projected mortgage Amount (PI+MI)			
Projected property taxes			
Projected homeowners insurance			
Projected Association (if applicable)			
Total projected housing costs			
<i>Liabilities</i>	Monthly	Balance	Notes
Car loan(s)			
Student loan(s)			
Credit card(s)			
Other loan(s)			
<i>Utilities/household expenses</i>	Monthly		Notes
Electricity			
Heat/gas			
Water/sewer/trash/recycling			
Telephone/cell phone			
Cable/Dish/internet			
Home maintenance			
<i>Fixed expenses</i>	Monthly		Notes
Health Insurance			
Life Insurance			
Auto Insurance			
Child care			
Alimony/child support			
<i>Flexible Expenses</i>	Monthly		Notes
Groceries			
Household supplies/toiletries			
Transportation (gas, maintenance, parking)			
Medical expenses			
Educational expenses			
Entertainment/hobbies			
Dining out/school or work lunches			
Tithing/charitable donations			
Alcohol/cigarettes			
Clothing/Beauty			
ATM			
Other			
Monthly savings			
Total expenses			
Monthly surplus/deficit			
<i>Assets</i>	Balance	Value	Notes
Bank account(s)			
Automobile (s)			

CAUTION

U.S. Department of Housing
and Urban Development
Federal Housing Administration (FHA)



OMB Approval No: 2502-0538
(exp. 07/31/2008)

For Your Protection: Get a Home Inspection

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- ✓ Evaluate the physical condition: structure, construction, and mechanical systems;
- ✓ Identify items that need to be repaired or replaced; and
- ✓ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✓ Estimate the market value of a house;
- ✓ Make sure that the house meets FHA minimum property standards/requirements; and
- ✓ Make sure that the property is marketable.

FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



HUD-92564-CN (6/06)



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CAUTION

CAUTION

Ten Important Questions to Ask Your Home Inspector

1. What does your inspection cover?

The inspector should ensure that their inspection and inspection report will meet all applicable requirements in your state if applicable and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these items ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them upfront.

2. How long have you been practicing in the home inspection profession and how many inspections have you completed?

The inspector should be able to provide his or her history in the profession and perhaps even a few names as referrals. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

3. Are you specifically experienced in residential inspection?

Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection. If the inspection is for a commercial property, then this should be asked about as well.

4. Do you offer to do repairs or improvements based on the inspection?

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

5. How long will the inspection take?

The average on-site inspection time for a single inspector is two to three hours for a typical single family house; anything significantly less may not be enough time to perform a thorough inspection. Additional inspectors may be brought in for very large properties and buildings.

6. How much will it cost?

Costs vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300-\$500, but consider the value of the home inspection in terms of the investment being made. Cost does not necessarily reflect quality. HUD Does not regulate home inspection fees.

7. What type of inspection report do you provide and how long will it take to receive the report?

Ask to see samples and determine whether or not you can understand the inspector's reporting style and if the time parameters fulfill your needs. Most inspectors provide their full report within 24 hours of the inspection.

8. Will I be able to attend the inspection?

This is a valuable educational opportunity, and an inspector's refusal to allow this should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

9. Do you maintain membership in a professional home inspector association?

There are many state and national associations for home inspectors. Request to see their membership ID, and perform whatever due diligence you deem appropriate.

10. Do you participate in continuing education programs to keep your expertise up to date?

One can never know it all, and the inspector's commitment to continuing education is a good measure of his or her professionalism and service to the consumer. This is especially important in cases where the home is much older or includes unique elements requiring additional or updated training.