

**L. Florida Homebuyer Opportunity Program**

- a. **Summary of the Strategy:** This strategy is designed in response to the legislative provision requiring SHIP local governments to expend 2009-2010 funds to ensure that residents of the state derive the maximum possible economic benefit from the federal first-time homebuyer tax credit created through The American Recovery and Reinvestment Act of 2009 by providing subordinate down payment assistance loans to first time homebuyers for owner occupied primary residences that can be repaid by the income tax refund the homebuyer is entitled to under the First Time Homebuyer Credit. The state program shall be called the “Florida Homebuyer Opportunity Program.”
- b. **Fiscal Years Covered:** This strategy will cover 2009/2010 until expiration of the Florida Homebuyer Opportunity Program Tax Credit.
- c. **Income Categories to be served:** Up to \$75,000 for single taxpayers or \$150,000 for joint filers. There is no requirement to reserve 30 percent of the funds for awards to very-low-income persons or 30 percent of the funds for awards to low-income persons; and there is no requirement to expend 75% of funds for construction, rehabilitation or emergency repair.
- d. **Maximum Award:** The principal balance of the loan provided shall equal the anticipated amount of the recipient’s First-Time Home Buyer Credit, and shall not exceed 10% of the purchase price of the home or \$8,000, whichever is less.
- e. **Terms, Recapture and Default:** The terms of the loan shall require the recipient to repay the loan immediately upon receipt of their federal tax refund. The loan will be secured by a subordinate due-on-sale mortgage lien recorded on the home being purchased. If repayment is made by the recipient within 18 months after the closing date of the loan, then the City of Gainesville shall waive all interest charges and will satisfy the subordinate mortgage lien. If repayment is not received by the City within the 18 months, the principal balance remaining at that time will be subject to a late payment penalty of 10%. The sum of the principal balance and penalty shall then be subject to interest at an annual rate of three percent (3%) amortized over 60 months. The recipient will be required to make regular monthly payments of principal and interest in accordance with the 60-month amortization schedule. If not paid in full after the 60 months, then the remaining balance of principal and interest will continue to accrue interest at an annual rate of five percent (5%), until paid in full. All funds repaid to a county or eligible municipality shall be considered SHIP “program income” as defined in s. 420.9071 (24).
- f. **Recipient Selection Criteria:** Recipients must meet the requirements of the following: The maximum income limit shall be Adjusted Gross Income of \$75,000 for single taxpayer households or \$150,000 for joint-filing taxpayer households, which is equal to that permitted by the American Recovery and Reinvestment Act of 2009.

The City will administer the FHOP utilizing the current Downpayment Assistance Program guidelines, with exceptions as noted herein for FHOP applicants. In addition, recipients must submit documentation, acceptable to the City, to confirm the recipient’s eligibility for the federal First-Time Homebuyer Tax Credit.