

Dear Potential Homebuyer,

Thank you for your interest in our First Time Homebuyer's Housing Counseling program. HOND, Inc., is a non-profit organization approved by the U.S. Department of HUD to provide comprehensive homeownership counseling to aspiring buyers and existing homeowners.

We would like to help you obtain homeownership and make sure that you can maintain that home. We offer group classes and individual sessions. Our face to face sessions are offered Monday through Friday, between the hours of 9:30 a.m. and 5:30 p.m.

As a customer, you may attend as many classes and face to face sessions as you need. Below is a list of information that we require all customers to bring to their initial analysis and follow-up appointments. As soon as these documents are gathered, contact our office to set up your appointment.

- | | |
|---|--------------------|
| <input type="checkbox"/> Photo ID | |
| <input type="checkbox"/> Pay Stubs | [One Month] |
| <input type="checkbox"/> Checking & Savings Account Statement | [Last Two Months] |
| <input type="checkbox"/> Tax Return 1040 & W2s | [Last Two Years] |
| <input type="checkbox"/> Rental History | [Last Year] |
| <input type="checkbox"/> Credit Report/with Scores | [6 Months] |
| <input type="checkbox"/> Monthly Bills/Expenses | |
| <input type="checkbox"/> Mortgage Commitment Letter | [As you obtain it] |
| <input type="checkbox"/> Sales Agreement/Contract | [As you obtain it] |
| <input type="checkbox"/> Good Faith Estimate | [As you obtain it] |
| <input type="checkbox"/> Truth in Lending Statement | [As you obtain it] |
| <input type="checkbox"/> Home Inspection Report | [As you obtain it] |
| <input type="checkbox"/> Home Appraisal Report | [As you obtain it] |
| <input type="checkbox"/> HUD-1 Settlement Sheet | [As you obtain it] |
| <input type="checkbox"/> List of Housing Professionals | [As you obtain it] |
| <input type="checkbox"/> Mortgage Counseling Fee (\$100.00) | One Time Fee |

Enclosed you will find additional forms to fill out: needs assessment sheet, worksheets numbered 1-4, monthly savings plan, and a budget sheet. Please fill out and complete prior to your next appointment. Fast Track and Long Term sessions are available to families that qualify and meet the requirements. If you have any questions, contact our administrative assistant at our office. Again, *Best Wishes*.

Sincerely,

Gladys B. Spikes

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Executive Director



**EQUAL HOUSING
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**

FAIR HOUSING IS YOUR RIGHT!

Fair housing is a right protected by federal and state laws. Fair housing means you may freely choose a place to live without regard to your race, color, religion, sex, national origin, marital status, creed, age, or because you are handicapped or have children in your family.

HOUSING DISCRIMINATION IS ILLEGAL.

Delaware's Fair Housing Law is substantially equivalent to the Federal Fair Housing Law. If you feel you have been treated unfairly or want more information about Fair Housing in Delaware,

call

Housing Opportunities of Northern Delaware at (302) 429-0794

FOUR BASIC ELEMENTS OF A BUDGET

1. WHERE THE MONEY COMES FROM

- Regular take-home pay—after deductions for taxes, social security, pensions, union dues, etc.
- Regular payments from pensions, social security, veteran's benefits, workmen's compensation, welfare, etc.
- Interest on loans or savings accounts, dividends, rents, etc.
- Other regular income (for example, alimony, child support)

2. WHAT YOU KNOW YOU MUST SPEND

- Monthly payments on the house (principal and interest on the mortgage, real estate taxes, mortgage insurance, hazard insurance, etc.)
- Utilities (gas, oil, electricity, telephone, water, sewer, etc.)
- Other expenses for the house (homeowner's insurance if not collected by the bank, special town fees, etc.)
- Car expenses (auto loan, insurance, gas, oil, maintenance, etc.)
- Life and health insurance
- School and child-care expenses
- Installment payments (furniture, appliances, etc.)
- Regular savings (for emergencies, for home maintenance and repairs, for education, etc.)

3. WHAT YOU HAVE LEFT OVER FOR DAY TO DAY LIVING EXPENSES

- Food (groceries, eating out, etc.)
- Clothes (new clothes, laundry and dry cleaning, etc.)
- Personal care (cosmetics, hair care, etc.)
- Medical and dental care
- Home furnishings and expenses
- Educational expenses (books, hobbies, lessons, etc.)
- Recreation and gifts (movies, sport events, vacations, birthday and holiday gifts, etc.)

4. RECORDS—WHAT YOU ACTUALLY EARN AND SPEND EACH MONTH

- These records are important for helping you to keep what you **PLAN** to spend in line with what you **ACTUALLY** spend.
- Good records will help you figure out your income taxes.
- Records also let you know what you have spent fixing up the house in case you should decide to sell it. If you sell the house, you will want to get back the money you put into it.

Managing Your Money

ONE OF THE MOST IMPORTANT KEYS IN BEING A SUCCESS AS A HOMEOWNER OR RENTER IS TO MAKE SURE THAT THE MONEY COMING IN IS MORE THAN THE MONEY GOING OUT.

OWNING A HOME CAN MAKE THIS TASK MORE DIFFICULT BECAUSE OF THE LARGE OR UNEXPECTED COSTS THAT MAY COME UP FROM TIME TO TIME.

- MAJOR REPAIR BILLS
- REPLACEMENT OF OLD EQUIPMENT
- SPECIAL ASSESSMENTS
- LARGE ONCE-A-YEAR EXPENSES

HAVING ACCESS TO EASY CREDIT DOES NOT HELP YOU EITHER...
BE AWARE OF CHARGE ACCOUNTS, DEPARTMENT STORE CREDIT CARDS

- THE PEOPLE YOU OWE MONEY DO NOT KNOW OR CARE IF YOUR ARE SPENDING MORE THAN YOU EARN.
- THIS MEANS THAT YOU MAY BE DIGGING YOURSELF INTO A FINANCIAL HOLE.
- TO AVOID THIS, YOU MUST KNOW AHEAD OF TIME WHAT YOU CAN REALLY AFFORD TO SPEND EACH MONTH WITH CASH OR WITH CREDIT.

TO HELP YOU KEEP CONTROL OF YOUR EXPENSES, A GOOD IDEA IS TO HAVE A FINANCIAL MANAGEMENT PLAN...

- IN DRAWING UP A BUDGET /FINANCIAL DIET, YOU WILL WANT TO...
- KEEP IT SIMPLE. IF IT'S TOO COMPLICATED YOU WON'T USE IT.
- BE HONEST WITH YOURSELF...IF YOU UNDERESTIMATE OR OVERESTIMATE, YOU'RE ONLY FOOLING YOURSELF.
- INVOLVE THE REST OF YOUR FAMILY.
- KEEP ACCURATE RECORDS...EACH MONTH KEEP CHECK STUBS, BILL RECEIPTS, AND MONTHLY MORTGAGE AND RENT STATEMENTS. THIS WILL TELL YOU HOW MUCH YOU ARE SPENDING AND WHETHER YOU NEED TO MAKE ADJUSTMENTS.
- KEEP THE PLAN UP TO DATE—A PLAN THAT IS OUT OF DATE IS NOT USEFUL. TIMES AND SITUATIONS CHANGE FROM MONTH TO MONTH. KNOW HOW MUCH MONEY IS COMING IN AND HOW MUCH MONEY IS GOING OUT.

MONTHLY EXPENSE SHEET

NAME: _____ SOCIAL SECURITY NUMBER: _____

Indicate the normal **monthly amount** of cost for each applicable expense.
 (Note: Annual or quarterly expenses will need to be divided accordingly for average monthly figures.)

Housing Expenses	Living Expenses
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Mortgage (1 st)	\$	Groceries	\$	Magazine Subscriptions	\$
Mortgage (2 nd)	\$	Lunches	\$	Newspapers	\$
Real Estate/ Property Taxes	\$	Paper Goods	\$	Day Care	\$
Hazard Ins.	\$	Toiletries	\$	Gifts & Entertainment	\$
Condo Fees	\$	Personal Needs	\$	Pet Care	\$
Assoc. Fee	\$	Tobacco Products	\$	Child Support/Alimony	\$
Electric	\$	Alcoholic Beverages	\$	Union Dues	\$
Gas	\$	Clothing	\$	Pension Contr.	\$
Oil	\$	Laundry Detergent	\$	IRA Contr.	\$
Water	\$	Laundromat & Dry Cleaning	\$	401K Contr.	\$
Sewer	\$	TV Cable	\$	Personal Tax	\$
Trash	\$	Telephone	\$	Education	\$
Other	\$	Internet Fees	\$	Church	\$
Notes & Comments:		Gasoline	\$	Tuition	\$
		Car Repairs	\$	Savings	\$
		Bus	\$	Auto Ins.	\$
		Dental & Doctor Bills	\$	Life Ins.	\$
		Prescriptions	\$	Medical Ins.	\$
		Cell Phone	\$	Dental Ins.	\$

TOTAL OF ABOVE
 COLUMN: \$ _____

TOTAL OF ABOVE TWO COLUMNS: \$ _____

**Fill in the names of those creditors where you have balances and/or payments.
Examples as listed are a sample of those accounts to be considered for completion of information.**

Credit Cards	IRS	Personal Loans
Department Stores	Legal Fees	Delinquent Medical Bills
Auto Loans	Delinquent Real Estate Taxes	School Loans
Credit Unions	Bankruptcy Trustee Payments	Unsecured Loans
Delinquent State/Local Tax Payments		

ACCOUNT NAME

NORMAL MONTHLY PAYMENT/BALANCE

_____	_____ / _____
_____	_____ / _____
_____	_____ / _____
_____	_____ / _____
_____	_____ / _____
_____	_____ / _____
_____	_____ / _____
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_____	_____ / _____
_____	_____ / _____

TOTAL PAYMENTS: / TOTAL BALANCES

DATE COMPLETED: _____ / _____

WORKSHEET 2

Your Available Cash and Assets

List here all your sources of cash and any assets you can use for the down payment and closing costs.

Checking account(s)	\$
Savings accounts(s)	\$
Mutual funds, stocks, and bonds	\$
Cash value of life insurance policy	\$
Cash gifts from parents or other relatives	\$
Other assets	\$
Total cash and assets	\$

WORKSHEET 3

Your Gross Monthly Income

List all current, regular gross monthly income for yourself and any co-borrowers. Consider all sources of income during the past 12 months, if they are likely to continue for at least three years.

	Average Monthly Amount
Gross pay (before taxes and other deductions)	\$
Overtime/part-time/seasonal/commissions	\$
Bonuses/tips	\$
Dividends/interest earnings	\$
Business or investment earnings	\$
Pension/Social Security benefits	\$
Veterans Administration benefits	\$
Unemployment compensation	\$
Public assistance	\$
Alimony, child support, or separate maintenance income	\$
Other	\$
Total Gross Monthly Income	\$

HOUSING OPPORTUNITIES OF NORTHERN DELAWARE, INC.

Client Name: _____

Client Name: _____

Current Address: _____

Current Contact Number(s): _____

Email Address: _____

Needs Assessment:

As your housing counselor, our role is to identify and assist you in your housing needs. We are available to provide fair housing and comprehensive housing counseling. Some clients will qualify for Fast Track Sessions while others may need extensive help. Please indicate the level of help that is needed:

- | | | | |
|---|-----------|----------------------------------|-----------|
| 1. I have been on my job at least two years | Yes or No | 4. I understand my credit report | Yes or No |
| 2. I make at least \$21,000 gross a year | Yes or No | 5. I have saved at least \$2,000 | Yes or No |
| 3. I have a checking and savings account | Yes or No | 6. I feel I am ready to purchase | Yes or No |

7. I am coming to counseling because: (Example: I don't know where to begin. It is a requirement for my CRA Mortgage or to participate in a Down Payment Settlement Assistance Program.)

8. Please circle the areas you would like the most training:

- | | | |
|----------------------------------|-----------------------------|---------------------------|
| Preparing for Homeownership | Fair Housing | Discrimination |
| The Costs of Homeownership | Reverse Mortgages (HECM) | Filing a Complaint |
| Opportunities of Homeownership | Mortgage Default | Avoiding Foreclosure |
| Down Payment Assistance Programs | Obtaining a Mortgage | Budgeting and Saving |
| Types of Mortgages | Down Payment | Mortgage Terms |
| Credit Repair | Comparing Lenders | Dispute Letters |
| Home Owners Insurance | How much can I afford? | Why a Home Inspection? |
| Shopping for a Home | What happens at Settlement? | Realtor vs. Sale by Owner |
| The Settlement Sheet | Realtor Referrals | Real Estate Attorney |
| Negotiating the Purchase Price | Life as a Homeowner | |

9. Additional Comments: _____
