

Home Ownership Purchase Enhancement (HOPE) Program

MHDC is allocating \$15 million towards the HOPE program. Qualified Missouri families that purchase a home in 2010 are eligible for a HOPE incentive equaling the amount of the 2009 real estate tax bill associated with the property they purchased, up to a maximum of \$1,250. Additionally, homebuyers who are approved for the real estate property tax HOPE incentive may also be eligible to receive an additional amount if they bought a qualified newly constructed energy efficient home or bought an existing home and remodeled or purchased items, such as Energy Star appliances, to make the home more energy efficient. The maximum combined total of the HOPE property tax incentive and the HOPE energy efficiency incentive is \$1,750.

Frequently Asked Questions

1) When can a homebuyer submit an application for the HOPE incentive?

- A homebuyer is eligible to submit an application after completing a home purchase in 2010. The contract to purchase the home must also have been executed on or after January 1, 2010. The executed sales contract and closing documents may be dated no earlier than January 1, 2010.

2) How long is the program available?

- \$15 million is available on a first-come, first-served basis, which is based upon the date and time an approved application is received. The program is available until the entire \$15 million has been expended.

3) What method is used to pay an approved applicant?

- The preferred method of payment is a direct deposit into the approved applicant's bank account. If the bank account information is not provided on the application, payment will be made by check.

4) What repayment conditions apply to the HOPE program?

- The HOPE incentive funds are provided in the form of an interest free loan, which does not charge interest or require payments. The recipient must repay the entire amount received if they fail to occupy the residence for at least one year from the date they receive the payment or sell, transfer, or otherwise dispose of the resident within one year from the date they receive the payment.

5) Are repeat buyers eligible?

- Yes, first-time homebuyers and repeat buyers are both eligible for the HOPE program.

6) Who is eligible to apply?

- A household that purchases and occupies, as their primary residence, a one-to-four unit home in Missouri on or after January 1, 2010, is eligible to apply for the real estate property tax HOPE

incentive, subject to the income limits below. The contract to purchase the home must also have been entered into on or after January 1, 2010.

- The applicant must be at least 18 years old.
- The applicant may not acquire the property from a relative, or spouse if married.
- Depending on the county of the home purchase, the applicants' maximum gross household income* may not exceed the income guidelines for low- to moderate-income persons or families established by MHDC.

Maximum Annual Gross Household Income

Property Location	Non-Targeted Areas		Targeted Areas	
	1-2 Person Household	3+ Person Household	1-2 Person Household	3+ Person Household
Kansas City MSA Counties <i>Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, Ray</i>	\$70,400	\$80,960	\$84,480	\$98,560
St. Louis MSA Counties <i>Franklin, Jefferson, Lincoln, St. Charles, St. Louis City, St. Louis County, Warren</i>	\$67,900	\$78,085	\$81,480	\$95,060
Jefferson City MSA Counties <i>Callaway, Cole, Osage</i>	\$65,700	\$75,555	\$78,840	\$91,980
Columbia MSA Counties <i>Boone, Howard</i>	\$63,000	\$72,450	\$75,600	\$88,200
All Other Areas	\$58,300	\$67,045	\$69,960	\$81,620

**Gross Household Income is defined as the gross amount of a household's income at the time they purchased the property before all deductions, except that which is specifically excluded by the Internal Revenue Code. Targeted Areas means an area in which 70% or more of the families have an income which is 80% or less of the statewide median. The list of Targeted Area census tracts may be found at www.mhdc.com/homes/targeted/targeted_areas.htm*

7) What is a Targeted Area?

- A targeted area is an area in which 70% or more of the families have an income that is 80% or less of the statewide median income. The list of targeted area census tracts may be found at www.mhdc.com/homes/targeted/targeted_areas.htm.

8) How much is an applicant eligible to receive?

- **Real Estate Property Tax HOPE Incentive:** Each applicant is eligible to receive up to \$1,250 to assist with the payment of their real estate property tax bill.
 - The amount of the incentive available is determined by the amount of the 2009 property tax bill associated with the property.
- **Energy Efficiency HOPE Incentive:** Each applicant that is approved for the real estate property tax HOPE incentive is eligible to receive an additional incentive amount if they purchase an energy efficient home or bought an existing home and remodeled or purchased items, such as Energy Star appliances, to make the home more energy efficient within 60 days of purchase. The application for the energy efficiency upgrade incentive may be included with the initial application, or sent to MHDC within 90 days of purchasing the home.

- The maximum available amount of the real estate property tax bill HOPE incentive plus the energy efficiency HOPE incentive is \$1,750. To calculate the amount of the energy efficiency HOPE incentive available, subtract the amount of the 2009 property tax bill from \$1,750.
 - Example #1:
 - \$1,100 = 2009 Property Tax Bill
 - The applicant is eligible for up to an additional \$650 (\$1,750 - \$1,100) incentive if they make an energy efficiency upgrade within 60 days of purchasing the home that incurs costs of at least \$650.
 - Example #2 (New Construction):
 - \$200 = 2009 Property Tax Bill
 - The applicant is eligible for up to an additional \$1,550 (\$1,750 - \$200) incentive if they bought a home with at least \$1,550 of costs incurred by the builder installing and purchasing energy efficient items.

9) What energy efficiency upgrades are eligible for the HOPE incentive?

- Installing energy efficient windows, doors, house wraps, programmable thermostat controls, water-efficient toilets and faucets, and energy-efficient water heaters, lighting and appliances; sealing, heating and air conditioning ductwork; professional caulking; insulating water heater pipes; increasing the R-value of insulation in crawl spaces and attics; and conducting on-site energy inspections and tests, including a blower door test, which tests the overall energy efficiency of the house, and a duct blaster test, which tests how much the air ductwork leaks, and Energy Star Qualified appliances.

10) What documentation is required to provide proof that an energy efficiency upgrade was made?

- The Energy Efficiency Upgrade Application and Affidavit (Form #715) must be completed and mailed to MHDC along with a copy of the paid receipt(s).
- If professional installation was required, a copy of the invoice and paid receipt must be mailed to MHDC to validate the costs incurred.
- Proof of the upgrade and the application/affidavit must be mailed to MHDC within 90 days of purchasing the home.

11) When must an energy efficiency upgrade be completed?

- An energy efficiency upgrade must be made within 60 days of purchasing the home. The receipt(s) and/or invoice(s) documenting the purchase of the item must identify the date of the purchase.
- Proof of the upgrade and the application/affidavit must be mailed to MHDC within 90 days of purchasing the home.

12) How does a homebuyer submit an application for the HOPE incentive?

- Applicants must fill out the appropriate documents and applicable affidavit(s), and mail them to:

**Missouri Housing Development Commission
Attention: Home Ownership Purchase Enhancement (HOPE) Program
3435 Broadway
Kansas City, MO 64111**

- Because the funds are available on a first-come, first-served basis, all applications will be date- and time-stamped when they are received by MHDC.

13) What documents must be completed and mailed to MHDC to apply for the HOPE incentive?

To apply for the real estate property tax HOPE incentive the applicant must provide:

1. Application
 - Completed Form #700
2. Home Purchase Affidavit
 - Completed and Notarized Form #705
3. HOPE Promissory Note
 - Completed and Notarized Form #720
4. Copy of Settlement State (HUD-1)
 - Provided at closing.
5. Copy of the 2009 Real Estate Property Tax Bill Associated with the Property Purchased
 - Available directly from the county, or the title company, which will have a title commitment document available.
6. Copy of Uniform Residential Mortgage Loan Application (Form 1003)
 - Provided at closing.
7. Copy of Drivers License(s)
 - Copies of drivers license will be requested by the closing agent at closing.
8. Copy of Executed Home Purchase Contract
 - You an/or your real estate agent should have a copy available.
9. If the spouse/co-habitant of the applicant is not on the mortgage loan, they must provide their income documentation (e.g., 2009 w-2, etc.) If spouse/co-habitant does not earn income, enter \$0 on the application page under the Income section.
10. Copy of the Deed to the residence you purchased, containing the Recorder of Deeds stamp with the Plat Book and Page Number or the Deeds recording.
 - The closing agent will be able to provide a copy of the Deed after it has been recorded.

The applicable document listed below must be completed and mailed to MHDC to apply for the energy efficiency incentive.

11. New Construction Energy Efficiency Home Affidavit – *Completed and Notarized Form #710*
12. Existing Home Energy efficiency Upgrade Affidavit – *Completed and Notarized Form #715*
 - A copy of the paid receipt and invoice must also be mailed in with this affidavit.

- 14) Is a buyer of a home that intends to install an energy efficiency upgrade item within 60 days of purchasing the home eligible to submit an application for the real estate property tax HOPE incentive prior to completing an energy efficiency upgrade?**
- Yes. The homebuyer must declare on the application if they are applying for the real estate property tax HOPE incentive only, or if they plan to apply for both the real estate property tax and energy efficiency HOPE incentive. If an approved applicant declares on the application they are planning to make an upgrade, but do not provide proof within 90 days of the purchase date, they will only receive an amount relating to the real estate property tax incentive.
- 15) What remedy do I have for sending in an incomplete application?**
- Incomplete applications are considered null and void; the applicant must re-apply.
- 16) What is the processing time?**
- Please allow six to eight weeks for processing. Processing time will be quicker for applicants who request a payment via direct deposit.
- 17) Can a homebuyer submit an application for the HOPE incentive after entering into a contract for the purchase of a residence, but before closing on the purchase?**
- No. A homebuyer may not submit an application before there is a completed sale and purchase of the residence.
- 18) Is a homebuyer eligible to receive the real estate property tax HOPE incentive if they don't buy an energy efficient home or make an energy efficiency upgrade?**
- Yes. The energy efficiency incentive is optional.
- 19) Will one payment or two be made if a homeowner makes an energy efficiency upgrade after submitting an application for the real estate property tax HOPE incentive?**
- One payment will be made for the total amount after the energy efficiency upgrade affidavit has been received and approved.
- 20) Is a homebuyer that is not approved for the real estate property tax HOPE incentive eligible to receive the energy efficiency HOPE incentive?**
- No. The energy efficiency incentive is only available to those applicants also approved for the real estate property tax incentive.
- 21) Where can I find a document listing the 2009 property tax bill amount associated with the property I purchased?**
- The 2009 real estate property tax bill amount is available directly from the county office in which the property was purchased; many counties make this information available online. Also, the title company involved in your loan closing will have this information available on a title commitment document, which they will provide upon request.

22) Is a buyer of a second home or investment property eligible for the incentive?

- No, the property must be owner occupied.

23) Is a buyer of a residential property with two to four units eligible if they live in one dwelling and rent out the other(s)?

- Yes, buyers of properties with up to four units are eligible for HOPE. The homebuyer must occupy one of the units as their primary residence. Only one HOPE real estate property tax incentive and HOPE energy efficiency incentive combining to a maximum of \$1,750 will be allowed regardless of the number of units within a structure.

24) Are households that purchase a manufactured or mobile home eligible for the program?

- Yes, if the property is taxed as real estate and it's on a permanent foundation.

25) Is the HOPE incentive amount considered a payment of real estate property taxes?

- No, the HOPE incentive does not constitute a payment of the real estate property taxes. A homeowner that receives the HOPE incentive must still pay their 2010 real estate property taxes.

26) Are there tax consequences if a homeowner receives the HOPE incentive?

- MHDC does not provide tax advice; please contact your tax advisor.

27) What deems an application and affidavits to be null and void?

- Applications and affidavits that are not fully completed and signed are considered null and void. An application for the real estate property tax HOPE incentive is considered null and void if any of the items listed 1 through 10 on the HOPE Application Instructions page are not included with the application. An application for the energy efficiency HOPE incentive is considered null and void if the applicable receipts/invoices and items 11 and 12 listed on the HOPE Application Instructions page are not included with the application.