
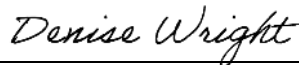




HO-CHUNK NATION POLICY AND PROCEDURE

Title: Down Payment Assistance (DPA) Policy	Subject: DPA Policy and Procedure
Scope: Ho-Chunk Department of Housing Staff	Effective Date: 07/01/2024
Issuing Authority: Kaleena Emery Home Ownership Manager – Department of Housing	Issuing Authority Signature: 
Approval Authority: Denise Wright Executive Director – Department of Housing	Approval Authority Signature: 
Legislative Authority: Ho-Chunk Nation (HCN) Employment Relations Act (ERA) 6 HCC § 5 Ch. 1. 4. (b) Each department, division, or unit of the Nation, with the prior approval and consultation of the Executive Director of the Department of Personnel, may develop, implement, and revise as necessary internal procedures, operating rules and policies pertaining to the unique operational requirements of the work unit for efficient and effective performance. Advance notice of internal unit procedures and rules shall be provided to employees and must be posted in public places to serve as notice to all employees.	Policy Number: DOH-HOP-07-01-24-006

1.0 Policy Statement:

- 1.1 This policy will establish a process for assisting enrolled Ho-Chunk Nation (HCN) Members with financing towards their mortgage from an outside lender by:
 - 1.1.1 Determining eligibility and selection criteria for applicants seeking DPA.
 - 1.1.2 Establishing policy and procedures for the Department of Housing DPA Program.
- 1.2 This is a once in a lifetime benefit. If a grant is approved and utilized, the applicant's name will be withdrawn from the Ho-Chunk Nation's Home Ownership Program (HOP), Veterans Home Ownership Program (VHOP), or Existing Mortgage Assistance (EMA) waiting lists and will not be eligible to receive any additional funding from these programs.
- 1.3 Any current/previous recipients of the HOP, VHOP or EMA will not be eligible to use the Down Payment Assistance Program due to the utilization of the once in a lifetime benefit.
- 1.4 Prior recipients of the DPA grant are not eligible to have their grant amended to the \$50,000.00.

2.0 Policy Purpose:

- 2.1 The purpose of this policy is to assist enrolled HCN Members by providing a grant of **up to** \$50,000.00 to use for down payment and/or closing costs for new home construction or existing home purchase. HCN members must secure financial resources to cover the remaining cost of the home purchase.
- 2.2 This Policy will ensure the Nation's resources are used in a reasonable and prudent manner.



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3.0 Rationale and Background:

3.1 The DPA Program was initiated to increase the number of potential HCN homeowners able to be assisted through the Home Ownership Division and to support successful homeownership experiences for Tribal Members.

4.0 Policy:

- 4.1 This is a once in a lifetime benefit. If a grant is approved and utilized, the applicant's name will be withdrawn from the Ho-Chunk Nation's Home Ownership Program (HOP), Veterans Home Ownership Program (VHOP), or Existing Mortgage Assistance (EMA) waiting lists and will not be eligible to receive any additional funding from these programs.
- 4.2 The DPA Program provides a **maximum** grant of \$50,000.00 to eligible HCN members.
- 4.3 Applicant's request for assistance will not be reviewed until all required documents have been received, which is the applicant's responsibility.

5.0 Eligibility

- 5.1 Must be an enrolled Ho-Chunk Nation member and provide proof of Enrollment, 18 years of age or older, and legally competent. Veterans and Elders will be given priority.
- 5.2 Applicant must have no outstanding delinquencies or debts in bad standing with the Ho-Chunk Nation.
- 5.3 Applicants must submit a completed DPA Application with the following documentation:
- 5.3.1 A photo copy of your Ho-Chunk Nation issued Tribal I.D.
 - 5.3.2 Pre-Approval letter from the financial institution (bank, Mortgage Company, or Credit Union) that you are working with for financing, or a copy of your current credit report if not yet home ownership ready.
 - 5.3.3 Signed Release of Information (included with this application).
 - 5.3.4 Complete an approved Home Buyer Education class and submit a copy of their Home Buyers Education Class Certificate. Classes can be taken through the Ho-Chunk Nation or a Financial Institution and are typically valid for one year.
 - 5.3.5 Once selected as a recipient, and prior to closing, complete an approved Post Purchase Home Buyer Education class and provide a copy of the certificate of completion.
- 5.4 Applicant is ineligible if they or their spouse previously received EMA, DPA, or HOP.

6.0 Grant Terms:

6.1 The grant is to be used for down payment and closing cost associated with a new construction or existing home purchase.



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- 6.2 Applicant must agree to place Ho-Chunk Nation as second lien holder for a period of five (5) years from date of closing.
 - 6.2.1 Applicant must agree to reside in the home as primary residence for a period up to five (5) years. If applicant resides in the home less than five (5) years the re-payment of the grant will be prorated with the amount of time left on the grant. Each year the applicant resides in the home, \$10,000 of the grant is forgiven.
 - 6.2.2 Repayment of DPA will be required if the Applicant defaults on their mortgage or the lender forecloses on the home.
- 6.3 Applicant must sign a stipulation agreement confirming they understand this is a once in a lifetime benefit and utilization of this program. If a grant is approved and utilized, the applicant's name will be withdrawn from the Ho-Chunk Nation's Non-Elder, Elder, and Veterans waiting list (s) for the Home Ownership Program (HOP) and the Existing Mortgage Assistance (EMA) and will not be eligible to receive any additional funding.
- 6.4 Down Payment Assistance of \$10,000 or less through the Ho-Chunk Housing and Community Development Agency may be used in combination with the Down Payment Assistance offered by the HCN Department of Housing.
- 6.5 There will not be any reimbursement or distribution of funds if the home closing is prior to DPA grant approval through the Home Ownership Division.
 - 6.5.1 Applicants who close prior to receiving DPA may apply for Existing Mortgage Assistance (EMA)
- 6.6 Down Payment Assistance funds cannot exceed \$50,000.00, and must be applied toward down payment of the construction loan or the closing costs on the mortgage loan.
- 6.7 If funds remain after applied to closing cost, funds may be applied to the principal balance of the mortgage or used to buy down points.

7.0 Procedure:

- 7.1 Applications received by the Department of Housing will be date stamped on the application and forwarded to the Home Ownership Division (HOD).
 - 7.1.1 Please see 5.1 above regarding complete applications
 - 7.1.2 Home Ownership Staff will create a file for the applicants. File will be labeled with applicants first and last name along with their DPA account number (DPA-0000) which will be the last four digits of the applicants Tribal ID.
 - 7.1.3 Home Ownership Staff will submit to Junior Accountants (JA) a Fiscal Verification form to determine if any funds are still owed to Department Housing, and form will added to applicants file.
 - 7.1.4 Home Ownership Staff will submit to the Department of Treasury a Fiscal Verification form to determine if any funds are still owed to the Ho-Chunk Nation, and form will be added to applicant's folder.
 - 7.1.5 If nothing is owed to the Department of Housing or the Ho-Chunk Nation the application may be forwarded to HOM.
 - 7.1.6 The DPA checklist will be added to the folder.



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- 7.1.7 Home Ownership Staff will provide the HOM with a list of applicants that have been approved for DPA.
- 7.2 When the HOD receives a complete application a Project Coordinator will add the applicant to the appropriate waitlist and notify the applicant of the same. The applicant's spot on the waitlist will be determined by the date the application is **complete**.
- 7.3 If application is incomplete the applicant will be notified and placed on the incomplete list until required documentation has been received, at which time they will be added to the appropriate waitlist.
- 7.4 The Elder and Veteran applicants will be placed on the Elder/Veteran wait list as they will receive preference per Legislative Resolution 10-09-18D. Applications will be processed by date of completed application.
- 7.5 Non-Elder applicants will be placed on the Non-Elder waiting list.
- 7.6 *Contingent on program funding*, Recipients who have complete applications and are ready to buy or build will be selected from the waitlist in chronological order according to complete and ready date.
- 7.7 Selected recipients will be assigned a Project Coordinator to help them navigate their buy or build.
 - 7.7.1 Applicants who have been selected for funding will have three months (90 days) to schedule and complete closing with their Financial Institution.
 - 7.7.1.1 Applicants must notify the Department of Housing of the closing date and location.
 - 7.7.1.2 Applicants who are unable to schedule a closing within 90 days, will not have funding reserved for them. Funding will be offered to the next applicant on the waiting list.
 - 7.7.1.2.1 With written justification an additional 30 days will be granted with Home Ownership Manager (HOM) approval.
 - 7.7.1.2.2 If applicant cannot meet the timeframe allowed, they will be moved to the bottom of the waitlist.
- 7.8 The Home Ownership Staff will process the complete and ready applications when funding is available as outlined in 7.6. The number of applications processed in any given year will be determined by funding.
- 7.9 Home Ownership Staff will contact selected recipients via email or postal mail to assist them with the process of obtaining the funds.
 - 7.9.1 The letter will request applicants to provide an updated pre-approval letter from their financial institution/lender.
 - 7.9.1.1 A pre-approval letter must be received by the HOD within 30 days of approval letter being sent. If you do not submit a pre-approval letter, you will be moved to the bottom of the waitlist (See section 7.9.2 and 7.9.2.1 below).



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7.9.2 If applicant is unable at that time they may postpone their approval, and Home Ownership Staff will document such in the applicants file and move the applicant to the bottom of the list.

7.9.2.1 Applicant may postpone their approval two (2) times before the applicant must re-apply for DPA

7.10 If Recipient chooses to purchase an existing home they must provide the following documentation to the Home Ownership Staff.

- Inspection Report of House
- Inspection report of Well/Septic System if house has separate system, and is not connected to city, or county system.
- Irrevocable Per Cap Agreement or current form authorizing collection from HCN provided monies when necessary (applicant signature)
- Down Payment Stipulation (applicant signature)
- Wire Transfer instructions from Lender, on official letterhead

7.10.1 Once applicant has provided required documents to the Home Ownership staff the Draw voucher can be sent to HOM, Executive Director of Housing for approval, and then sent to JA for processing.

7.11 If Recipient chooses new construction the following documents must be provided by the recipient:

- Irrevocable Per Cap Agreement or current form authorizing collection from HCN provided monies when necessary (applicant signature)
- Down Payment Stipulation (applicant signature)
- Wire Transfer information from Lender, on official letterhead
- Location of construction site (Trust land lease/Fee simple)

7.11.1 Once applicant has provided required documents to the Home Ownership Staff the Draw voucher can be sent to HOM, Executive Director of Housing for approval, and then sent to JA for processing.

7.12 Once the file has been closed, and funds have been released the file will be sent to Records for scanning and storage per Department of Housing Records Transfer Policy.

8.0 Definitions:

- 8.1 **Closing Cost:** Various fees and expenses payable by the buyer at the time of closing.
- 8.2 **Down Payment:** The amount one pays for property in addition to the debt incurred.
- 8.3 **Existing Purchase:** Purchase of an existing house on the real estate market.
- 8.4 **FEMA:** Federal Emergency Management Agency is a National Flood Insurance Program.
- 8.5 **Grant Stipulation Letter:** Letter outlining the stipulations of the grant award.



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- 8.6 **Manufactured Home:** Formerly known as “mobile homes”. Manufactured homes are homes built in a factory, after 1976, which are governed by federal building codes. (Not eligible for this program).
- 8.7 **Modular Home:** Homes built in a production facility and are governed by local and state building codes. (Eligible for this program).
- 8.8 **Mortgage:** A legal document in the form of a not that pledges a property to the lender as security for payment of a debt.
- 8.9 **New Construction:** Building a new house on a property.
- 8.10 **One Time Benefit:** An individual shall only be eligible to utilize this benefit once in a lifetime.
- 8.11 **Principal:** The amount owed on a debt that has been partially amortized/reduced.
- 8.12 **Rental:** A property that an individual does not own and leases from owner.
- 8.13 **Vacant Land:** A property that does not have water or septic.
- 8.14 **Zoned:** An area for specific use, subject to certain restrictions or conditions.

9.0 References:

6.1 Ho-Chunk Nation Employment Relations Act amended July 23, 2019

<http://ntob-sharepoint:2000/gov/Personnel/Shared%20Documents/Forms/AllItems.aspx>

10.0 Policy History:

(05-17-17) DOH-HOP-5-17-17-001 Approved by the Executive Director of Personnel

(07-01-18) DOH-HOP-5-17-17-002 Approved by the Executive Director of Personnel

(05-17-20) DOH-HOP-5-17-17-003 Approved by the Executive Director of Personnel

(02-20-22) DOH-HOP-POL-05-17-22-005 Approved by the Executive Director of Personnel