Advantage Plus Loan Program
Description

(Pilot Project - Only Available in Euclid)

What is the Advantage Plus Loan Program?

The Advantage Plus Loan Program, currently only available in the City of Euclid, builds upon the Cuyahoga Land Bank’s Owner Occupant Buyer Advantage Program (OOBAP). Both the City of Euclid and Neighborhood Housing Services of Greater Cleveland (NHSGC) have signed on as partners for this new “loan” program.

The Advantage Plus Loan Program, like OOBAP, is geared specifically toward prospective owner-occupiers -- people that want to rehabilitate a property in order to make it their home. While anyone can put in an offer on a property in the Cuyahoga Land Bank's inventory, many properties need extensive work, which requires the purchaser to have either renovation expertise or the ability to pay contractors to make the necessary repairs. Generally, the properties that the Cuyahoga Land Bank places into the OOBAP program, on the other hand, are selected because they require a moderate investment and much of the work needed can be undertaken by someone who is handy. These properties are typically in better condition than others in the Land Bank's inventory and a buyer may obtain more equity from the onset.

Working with OOBAP since it was launched in August 2012, the Cuyahoga Land Bank has realized that even with the preferences set up for potential owner-occupant buyers through OOBAP, there are still financial barriers that make purchasing a home to renovate difficult for some buyers. Currently, OOBAP participants are required to provide proof of funds to cover the acquisition, renovation costs, and a 10% renovation cost reserve of the property they purchase; the Advantage Plus Loan Program helps address this financial challenge.

In addition, the City of Euclid will waive all permitting and inspection fees related to property renovations done through the Advantage Plus Loan Program, although a buyer will have to pass all applicable city inspections.

Bid Process:
(all information can be found at http://www.cuyahogalandbank.org/advantageplus)

1. Review renovation specifications (Rehab Spec) and any applicable Municipal Point-of-Sale (POS) reports. (Rehab Specs, POS inspection reports and other property details can be viewed and downloaded by clicking on the property picture.)
2. Submit the Property Purchaser Application to the Cuyahoga Land Bank indicating your interest in visiting the property.
3. A Cuyahoga Land Bank representative will contact you to make arrangements to view the property.
4. After visiting the property, determine if you want to bid on the property (note: the stronger the offer, the more likely you are to be the successful bidder).
5. Submit the Complete Bid Package listed below - as to the Cuyahoga Land Bank offices by 4:30pm or by mail on or before the bid end date. Bids received or post marked by the bid end date may NOT be accepted.
6. After the bid period ends, the Cuyahoga Land Bank staff screen to ensure that the buyer meets the standards set forth by our Property Transfer Policy.
7. If the buyer, with the strongest bid, successfully passes the screening, the Cuyahoga Land Bank will notify the buyer of the successful bid and then forward a conditional purchase agreement in accord with the terms as proposed by the buyer in the Buyer Bid Form and the Cuyahoga Land Bank's Deed-In-Escrow Program. At this point, the buyer will get an opportunity to view the property again to make sure that the renovation specifications and corresponding costs are 100% accurate.
8. If the buyer would like to receive up to $10,000 in loan funds related to the renovation they will next be DIRECTED to Neighborhood Housing Services of Greater Cleveland (NHS) for loan review. The buyer will also be required to sign a third party authorization form that states that information can be shared between NHS and the Cuyahoga Land Bank. COPIES of the following documents will need to be provided to NHS:
   - Proof of ALL household income covering last 60 days - most recent consecutive pay stubs
   - W2's from previous two years
   - Federal Income Tax Returns (Form 1040) from previous two years - all pages
   - If self-employed, copy of 1099's and a Quarterly Profit and Loss Statement
   - Last two months bank statements/credit union accounts - showing your savings for the house purchase - all pages
   - Bankruptcy information - ONLY if you have filed bankruptcy within the last 5 years
   *DO NOT CALL NHS until directed by the Cuyahoga Land Bank staff. REMEMBER, bring COPIES of the above documents ONLY.*
9. If the buyer fails to pass the screening, referenced above, and does not abide by the Property Transfer Policy, then the Cuyahoga Land Bank will consider the next highest bid.
10. If the buyer qualifies for the loan, they sign a mortgage, a promissory note, and put the bid amount into an escrow account.
11. At that point, the Cuyahoga Land Bank issues a Notice to Proceed, and renovation work can start.
12. Once the buyer has completed the property renovation, and closed all permits, if any are applicable, the Cuyahoga Land Bank will inspect the work. Once the property is renovated to the agreed specification, the title company will transfer the deed to the buyer.

**Exclusive Owner-Occupant Bid Period:** For a select period of time, Cuyahoga Land Bank properties in the City of Euclid will be designated for the Advantage Plus Loan Program. Under the program, owner-occupant buyers will have an exclusive opportunity to bid on a property. For the bid to be considered for the Advantage Plus Loan Program, a potential buyer must submit a COMPLETE BID PACKAGE to the Cuyahoga Land Bank via in person, USPS, or fax consisting of the following:

1. **Bid Form** (on the Bid Form, please indicate Advantage Plus Loan Program if you would like to apply for loan funds).
2. Signed specification sheet.
3. Proof of funds (e.g. bank statements, line of credit, etc.).

**Type of Property in the Advantage Plus Loan Program:** ONLY Cuyahoga Land Bank properties in the City of Euclid are eligible for the Advantage Plus Loan Program. All Advantage Plus properties are sold in an “AS IS” and “WHERE IS” condition with no warranty or representations by the Cuyahoga Land Bank. Therefore, buyers must carefully inspect properties. The properties that are part of the Advantage Plus Loan Program are highlighted in blue and state Advantage Plus Loan Program below the photo and can be found at [http://www.cuyahogalandbank.org/advantageplus](http://www.cuyahogalandbank.org/advantageplus).
What is an owner-occupant? An owner-occupant is a person who lives in the property for at least three (3) years as their primary place of residence. *The deed must be taken in the name of the person who will live in the property.*

Basic Terms and Conditions: To qualify for the Advantage Plus Loan Program, applicants must meet the following criteria:

1. Household income cannot exceed 120% of Area Median Income. Please see table listed below for reference.
   - *For example, a household of three (3) can make $68,450 or less and be eligible for the Advantage Plus Loan Program.*

2. Minimum credit score of 575.

3. Two (2) years of continuous employment.

4. Must not be subject to any tax liens.

5. Must attend eight (8) hour course on home ownership and responsible financial practices.

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<tr>
<th>FY2013 Income Limits - Cuyahoga County</th>
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<td><strong>120% AMI Limits</strong></td>
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<td>$53,250.00</td>
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6. Must be in compliance with the Cuyahoga Land Bank’s *Property Transfer Policy*, listed below:
   - Not own any real property that is in material violation of state and/or local codes or has a history of code violations.
   - Not own any real property that has a history of being a site for criminal activity during the purchaser’s ownership.
   - Not own any real property that is tax delinquent.
   - Not have lost any title or had any foreclosure filings against any properties within the past three years.
   - Use property consistent with current zoning requirements of the respective municipality.
   - Comply with all fair housing and market regulations.

*Other terms and conditions apply.*