



Buying a home involves submitting and signing a lot of documents. Following is a summary of what many of them are and what they mean.



### 1. PRE-APPROVAL

After you have pre-applied online, looked at the homes we have for sale and picked one you want to buy, these are the documents you submit and/or sign.

#### Homestead Application (print)

Updates and completes the information you submitted online.

#### Authorizations and Disclosures

Authorizes Homestead to work with your lender and funders to coordinate the purchase; the process involves an exchange of information from your application.

#### Loan Pre-Approval

A letter or an email from your lender with the amount you are permitted to borrow, and all the loan conditions.

#### Income Verification

Documents that prove your reported household income.

#### Homebuyer Education Certificate

A certificate from a HUD-certified homebuyer education course, issued within the last two years.

#### Certification of Completion of Homebuyer Counseling (City of Seattle Homes)

Verification that you completed one-on-one homebuyer counseling from an agency approved by the City of Seattle.

### 2. HOME INSPECTION AND APPRAISAL

Before your dream of homeownership comes true, Homestead meets with you to discuss our program, provides one-on-one budgeting planning, and provides other training or educational information. The purchase process also requires the completion of inspection of the home and disclosures about the home's condition.

Documents you receive or sign include:

#### Homestead Home Quality Checklist

A document we complete with you on site. This is completed at the same time as the inspection noting the condition of the home.

#### Inspection Response Form 35R

A form you submit to the seller with conditions that you request be addressed prior to signing a purchase and sale agreement.



### Seller's Disclosure

This is a seller's disclosure about details and history of the property that the seller knows about, specifically defects or other material facts about the property.

### 3. INTRODUCTION TO GROUND LEASE, MEMBERSHIP AND HOA MEMBERSHIP

During pre-purchase training, Homestead will work with you in group and individual settings to go over the following topics: 1) your budget and how much you should set aside each month for maintenance and repairs; 2) types and frequencies of repairs and maintenance for which you will be responsible; 3) the ground lease or covenant; 4) being a member of a condominium or homeowners' association; 5) the legal documents associated with your condominium or homeowners association (if this applies to you); and 6) being a member of Homestead; and 7) post-purchase policies concerning Capital Improvements and Refinancing.



### Ground Lease/Covenant

The primary agreement between Homestead and you detailing your uses and responsibilities concerning the home, the resale formula, the monthly lease fee paid to Homestead, other fees paid to Homestead if any.

### Use Agreements

The City or County that has funded the affordability of your home asks you to sign a use agreement that covers points similar to that in the ground lease or covenant concerning owner occupancy and the next sale to an income-qualified buyer.

### HOA/Condo Association Information

We encourage you to ask your prospective resident association to provide its "CC&Rs" (Declaration of Covenants, Conditions, and Restrictions), Bylaws and Rules before you purchase. You do not sign these documents.

### 4. PURCHASE AND SALE AGREEMENT SIGNING

#### Purchase and Sale Agreement

##### Form 21

The contract of sale, this includes basic information on the transaction, such as the names and contact information for the Buyer and Seller, the Purchase Price (which includes the mortgage(s) and any subsidies), earnest money (down-payment), closing date, and the date the offer expires.



## Lead Disclosure

Form 22J

The Seller's disclosure of their knowledge of any lead materials in the home, such as paint or plumbing. Especially important with older homes.

## Utilities Disclosure

Form 22K

Seller's information about the utilities supplied to the home, and the providers. Also includes how the Seller's final utility bills will be paid.

## Inspection Contingency

Form 35

An agreement that the home sale will depend on the results of a home inspection, and how the Buyer and Seller will respond to any issues that come up.

## Land Trust Addendum

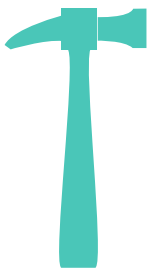
This addendum acknowledges that the property is part of a community land trust, and describes the relationship between the homeowner and Homestead. Additional details are in the Ground Lease.

## Legal Description

Provides the legal description of the home, according to King County's records, ensuring that the contract covers the correct property.

## Initial Fair Market Value Notice

Describes the value of the home based on comparable properties and affordability guidelines.



## 5. MAINTENANCE, CAPITAL IMPROVEMENTS AND PROGRAM POLICIES

### Pre-Closing Checklist

After participating in the trainings above, and receiving your Homestead binder with supporting information, you will sign a form that says you went through the training and received your binder.

**Note:** We recommend that you review the ground lease with an attorney prior to closing. We can connect you with an attorney who will do this for a fixed fee if you request it.

## 6. UNDERWRITING, LOAN APPROVAL AND FUNDER APPROVAL

While you are going through underwriting, loan and funder approval there may be additional documents to sign.



## 7. SIGNING AND KEYS

Once Homestead, your bank, and funding partners have all their ducks in a row, we schedule your closing appointment at the escrow office. Following are the documents you'll sign:



### Deeds of Trust

Some of the funds that are used to build your home or to reduce the price are in the form of loans. Deeds of trust record which funds were used and how they are paid back and who pays them back.

### Use Agreement

A three-party agreement between Homestead, you, and either the City where your home is located or the County (or both) that says how the property can be used (your primary residence, sold to the next income-qualified buyer, etc.)

### Subordination Agreement

Determines in what order the various loans get either paid off or retained when the home is sold again.

### Initial Purchase Price Calculation

Shows how Homestead determined the initial purchase price. This is the number used to calculate your resale formula at the next sale.

### Ground Lease or Covenant

Described above.

### Memo of Ground Lease

An abbreviated version of the Ground Lease for county records that includes the legal description of the land and Fannie Mae Rider.

### Lease Fee Payment Authorization Form

Sets up automatic payments for Homeowner's monthly ground lease fee.

### Release and Authorization for Communication and Social Media

Allows Homestead to share that the homeowner purchased their home through the program and use photos for marketing.

### Settlement Statement

A summary of the various funding sources and costs associated with the transaction.

There may be other documents you will sign at closing depending on your situation.