Exhibit A.3 FAQS

CITY OF JOPLIN HOMEBUYER ASSISTANCE PROGRAM
(J-HAP) FREQUENTLY ASKED QUESTIONS (FAQ'S)

1. What is the Joplin Homebuyer Assistance Program (J-HAP)? The City of Joplin's primary objective is to allocate a portion of its U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) grant funds for homeownership programs to repopulate the tornado – affected area, increase the number of affordable housing units and to improve the opportunities for homeownership for low and moderate income (LMI) families. In coordination with the City of Joplin, Nan McKay & Associates (the J-HAP Program Office) will be conducting all application processing. The total amount of homebuyer assistance cannot be less than $1,000 or greater than $30,000 for homebuyers. The subsidy may be used to fund:

- 100% of the primary lender required down payment costs, and/or
- 100% of the reasonable and approved closing costs.

A special exception to this rule shall be made for Low-Moderate Income Families (families whose income is less than 80% AMI) who seek to contract to build a new home on a vacant parcel or purchase an existing property that meet one of the following two criteria:

1. Construction of the home began after May 22, 2011 OR
2. The home has never been occupied.

The exception allows for down payment assistance up to 30% of the purchase price plus reasonable and approved closing costs, not to exceed $35,000.

An additional $5,000 incentive is available to program participants who purchase a qualified Energy Star Home. Refer to Section 10, Chapter 1 for additional information.

In any case, the most a family may qualify for is down payment assistance up to 30% of the purchase price plus price reasonable and approved closing costs plus an additional $5,000 incentive for a total not to exceed $40,000.

2. How do I qualify for J-HAP assistance to purchase a home? To qualify for assistance, you must adhere to the following eligibility requirements:

- Your household annual income must not exceed 120% of the median income for the City of Joplin. *Refer to the table below for examples of maximum income guidelines by household size*.
- You must have the financial ability to secure a first mortgage with a financial institution or mortgage company. J-HAP funds provided by the City of Joplin can be used for down payment assistance and/or closing costs.
- Applicants must complete all necessary forms required by HUD and the City of Joplin (forms to be provided by J-HAP Program office) prior to proceeding through the J-HAP application and eligibility verification process.

Household Size	**1 Person**	***2 Person***	**3 Person**	***4* Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
Annual Income (120%)	$43,450	*$49,650*	$55,850	$62,050	$67,000	$72,000	$76,950	$81,900

* These income limits are established by HUD, revised annually, and subject to immediate change without notice (Effective 3/28/2016). Contact the JHAP Office for the latest income limits.

3. What is the maximum amount of assistance that I can request from the J-HAP? How do I know how much J-HAP can I receive? Assistance will be capped to 20% of purchase price plus closing costs.

- The 20% amount can be a combination of down payment assistance and principal reduction. The 20% includes the down payment percentage (amount) that a lender would normally require of a borrower. If a gap exists, between the borrower's available funds for closing and a total 20% down payment, the balance of funds would be considered a principal reduction.
- Closing costs are not included in the 20% calculation. The maximum amount of assistance cannot be any more than 20% of the purchase price plus actual closing costs, together not to exceed $30,000.

A special exception to this rule shall be made for Low-Moderate Income Families (families whose income is less than 80% AMI) who seek to contract to build a new home on a vacant parcel or purchase an existing property that meet one of the following two criteria:

1. Construction of the home began after May 22, 2011 OR
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In any case, the most a family may qualify for is down payment assistance up to 30% of the purchase price plus price reasonable closing costs, not to exceed $40,000.

4. Who calculates and approves the amount of J-HAP assistance that I can receive? Your mortgage lender will be able to calculate how much J-HAP assistance you will be eligible for, subject to the loan product that best fits your situation. Yet, your J-HAP request must then be approved by the City before it can be disbursed at the closing of the real estate contract.

5. Can J-HAP be combined with other housing loan programs? You will need to consult your mortgage lender to evaluate potential home loan products to determine what options are available and what best suits your specific situation.

6. Does J-HAP prevent me from refinancing my home in the future? No, you can refinance in the future, provided that: 1) there is no change in property ownership, 2) the new loan must **only** pay off the remaining balance of the original loan, and 3) subject to Lender approval.

7. When and where are the J-HAP applications due? Applicants can pick-up a J-HAP Application Packet in-person at the J-HAP Program Office located at 602 South Main Street, Joplin, MO 64801 (North Entrance). Applicants can also call (417) 850-2249 or submit an e-mail request to JHAP@joplinmo.org (Subject Line: J-HAP Application Request). Completed J-HAP applications should be returned with all relevant/required documentation to the J-HAP Program Office for processing. The J-HAP application and all necessary documents (including additional information, if requested) must be returned to J-HAP Program Office within 30 calendar days. If an Applicant is unable to provide all required documents to J- HAP Program Office within 30 calendar days, upon securing all necessary information they will need to return to the J-HAP Program Office to update their J-HAP application.

The J-HAP Program Office hours that will go in effect starting Monday, May 2, 2016, can be seen in the table below:

J-HAP Program Office Hours starting Monday, May 2, 2016:					
Hours	Monday	Tuesday	Wednesday	Thursday	Friday
Office	8:00am-5:00pm*	8:00am-5:00pm*	8:00am-5:00pm*	8:00am-5:00pm*	8:00am-5:00pm*

* The office will be closed every day from noon-1pm for lunch. The office hours are subject to change.

8. What paperwork is required to submit with the J-HAP application? A list of required personal information is available via the 'Personal Information Required for J-HAP Application' form which can be found under the J-HAP information link at http://www.joplinmo.org/cdbg-dr. Further, the J-HAP Application Package will explain all necessary required documentation, and a J-HAP counselor will assist you through the

application process. If additional documentation is required, the applicant will be notified by the J-HAP Program Office in a timely manner.

9. What does my credit score have to be to qualify for the program? J-HAP applicants will need to secure a home loan through a mortgage lender to qualify for this funding assistance, and an applicant's credit score is one factor used to obtain loan approval. Those interested in participating in the J-HAP should be visiting with their lender of choice as soon as possible to determine their credit score and evaluate their ability to secure a home loan.

10. Is this J-HAP assistance a grant or a loan? The assistance will be in the form of a Forgivable Loan. Further, an affordability covenant (either a Deed of Trust or Deed Restrictions) will be filed against the property receiving J-HAP assistance.

11. What is an affordability covenant? If I receive assistance, will there be an affordability covenant on the property? If so, how long must the affordability period be maintained? Affordability covenants can be used to limit the resale price of a property or tie ownership to established income thresholds to maintain the affordability of the property, for a set period of time. Yes, there will be an affordability covenant on the property if you receive J-HAP assistance. Please refer to the table below for timeframes associated with the subsidy.

Homeownership Assistance Amount	Affordability Covenant Period
<$15,000	5 years
$15,000 - $40,000	10 years

12. Can I buy a house anywhere in City of Joplin? All properties must be contained within the City Limits of Joplin and within the boundaries of the Tornado Path (Disaster Zone) that are generally described as the area between Black Cat Road and Davis Boulevard and between 13th Street/Junge Boulevard and 32nd Street. Please refer to the City of Joplin's interactive map found at https://joplin.integritygis.com/ or a PDF version with additional environmental information located under the J-HAP information link at http://www.joplinmo.org/cdbg-dr.

13. How will I know if the property I wish to purchase is eligible for J-HAP assistance? The applicant will receive an official Property Approval letter from the City of Joplin. After the Applicant's J-HAP eligibility has been approved by the City, the applicant will submit a lender pre- approval letter and an official property review request to the J-HAP Program Office. The City will then conduct the Environmental Assessment (EA) review and on-site inspection of the property to insure the location

complies with federal funding requirements. The J-HAP Program Office will notify the Applicant of the EA determination following the review/inspection through an official letter signed by the City of Joplin. The EA Review/Inspection process should normally be completed within fourteen (14) days after it has been initiated, yet certain locations may require a longer time to complete do to unique property factors.

14. Is there a minimum sales price on the home that I select? No, there are no minimum or maximum sales prices on the homes to be purchased through the J-HAP.

15. Can I get a home built or do I have to buy an existing house? As of September 23, 2013, assistance can be provided for homes that have not yet been constructed. Assistance will continue to be made available to existing single-family units or single-family units that are already under construction at this time. The J-HAP will not fund the construction process. J-HAP funds can only be applied to a fully finished home.

16. Are there specific construction requirements for applicants that apply for assistance for a house that will be newly constructed after time of application? Yes. A radon test, in a manner prescribed by the JHAP Office, is required which shall consist of at least two canister samplings to be analyzed by a certified laboratory. Laboratory results must be submitted to the JHAP office prior to loan closing.

17. How long will it take to receive the J-HAP funds? J-HAP funds will be available upon the closing of the real estate contract, subject to satisfaction of lender loan requirements and final City approval of J-HAP funding requirements. Due to City of Joplin finance disbursement requirements, at this time all real estate closing transactions using J-HAP funds will occur **on** Friday.

18. Are second homes eligible for J-HAP? No. To qualify for a JHAP forgivable loan the home must be your primary residence.

19. Can a JHAP applicant retain an ownership interest in the home in which the family/individual lived in prior to submitting an application to the JHAP Program? No, before closing on a JHAP assisted home, the applicant must sell their current home. The applicant must also sign a real estate affidavit prior to closing which lists their ownership in real property. To evidence the selling of their home, the applicant will provide if they have an ownership interest. To evidence the selling of their home, the applicant will provide the JHAP Program with a closing statement by a title company/bank showing the original home has been sold. Prior to closing on a JHAP assisted home, the applicant will be required to sign an affidavit which discloses their interest in all real property. To qualify for a JHAP forgivable loan, the home to be purchased must be your primary residence.

20. I am currently under contract to buy a home in the J-HAP Zone, can I be eligible for the J-HAP Forgivable Loan? Yes, if you are currently under contract for an

existing home in the J-HAP Zone, you are eligible to apply for a J-HAP Forgivable Loan. However, the buyer/applicant does assume some risk of potential denial based on environmental review by entering into a contract prior to receiving property approval from the City. Please refer to questions 28 for more information.

21. I just closed on my contract to purchase a home in the JHAP Zone. Am I eligible to pay-off my existing loan and refinance with a new loan under the JHAP Program? Unfortunately you will not be eligible to participate in the J-HAP.

22. If I am a realtor, contractor or other professional that would like to know if my properties qualify for the J-HAP, how do I find out? The J-HAP has a goal of providing financial assistance directly to the homebuyer. In order to know if a property is J-HAP eligible, a prospective homebuyer must first apply to the program and a decision will be made regarding the applicant's eligibility. At this point, an address-specific review will then be conducted on one property per prospective homebuyer applicant.

The City has, however, made available a map for general guidance when looking for properties. This map **DOES NOT** represent a final eligibility determination for the property and is only to be used as a general guide. This map can be found under the J-HAP information link at http://www.joplinmo.org/cdbg-dr .

23. How do I appeal any decisions or determinations during the J-HAP application process that I dispute? J-HAP applicants are encouraged to work with the J-HAP Program Office to resolve any questions or potential concerns they might have as they progress through the application steps. Yet, if an applicant believes that an incorrect decision has been made during the application process, they may file a "Request for Informal Hearing" form (obtained from the J-HAP Program Office) and return it to City Hall (attn.: Troy Bolander).

24. Where can I obtain more J-HAP information? You should visit the City's CDBG-DR website under the J-HAP information link at http://www.joplinmo.org/cdbg-dr for any updates and/or contact J-HAP Program Office to visit with a J-HAP counselor.

25. Are my assets accounted for as income for J-HAP? Yes, assets are part of the overall income calculation for J-HAP. HUD Part 5 guidelines are used to determine which assets will be counted towards a family's income. For a more thorough explanation of information required for determining assets, please access the City's J-HAP page at http://ww.joplinmo.org/cdbg-dr. Refer to Item E – Personal Information Required.

26. Will the J-HAP program require all properties to meet all City of Joplin building code guidelines? If the home exists it does not have to meet all current City of Joplin building codes (but must meet basic health and safety codes). If the home is recent or new construction, it must meet all current City of Joplin building codes, and will be subject to inspection.

27. **Will foreclosed or repossessed homes be eligible for J-HAP?** This is subject to the applicant obtaining a loan for the property.

28. **Is an existing structure located near a Rail Road or other noise source eligible for the J-HAP?** Yes. Applications received for existing structures are not subject to all of the same Environmental Restrictions as applications for new construction. The only item reviewed for existing structures will be whether or not the property is located in a flood plain.

29. **Can the applicant currently be entered into a Contract for Sale for an existing property or a property under construction at time of application?** Yes. Applicants can be under a Purchase Contract for an existing home/home under construction prior to their J-HAP application. The contract, however, must be dated after May 6, 2013. The property can be under construction, meaning that at a minimum, the permanent foundation must be in place at the time the contract is signed. If the applicant wishes to purchase a vacant property, a specific HUD Option Contract will be available from either your realtor or the City of Joplin as the only means to secure that property before the City completes its environmental review.

30. **Can acquisition/construction begin on a site while the application is being processed?** No. A determination will need to be made during the application process whether a site contains an existing structure or will be used for new construction. During this time, any attempt to change the status of a property from vacant to containing a structure will make that property ineligible.

31. **Can an applicant have a co-signer on their loan?** Yes, co-signers are allowed with the program. However, if the co-signer will be an occupant of the property their income must be included in the eligibility determination. If the co-signer will not be an occupant, their income will not be included. If the property is transferred from the intended occupant to the co-signer, the funds provided to the applicant will be recaptured by the J-HAP program according to the Deed Restriction/2nd Mortgage.

32. **Where can I find an explanation of all terms and conditions that I will be obligated to once I am a participant in J-HAP?** Please refer to the J-HAP Homebuyer Assistance Agreement. The Agreement explains all terms and conditions for J-HAP participation, and outlines participant obligations. The Agreement is available on the City's CDBG-DR website under the J-HAP information link at http://www.joplinmo.org/cdbg-dr.

33. **Is there a document or diagram that shows me the overall process I will go through when applying to J-HAP?** Yes. Please refer to the J-HAP Applicant Flowchart Diagram. It gives the applicant a quick overview of the J-HAP process. The J-HAP Applicant Flowchart Diagram is available on the City's CDBG-DR website under the J-HAP information link at http://www.joplinmo.org/cdbg-dr.

34. **What is the definition of a financial institution?** Any institution the business of

which is engaging in financial activities as described in section 4(k) of the Bank Holding Company Act (12 U.S.C. § 1843(k)). Under the Final Rule promulgated by the Federal Trade Commission (FTC), an institution must be *significantly engaged* in financial activities to be considered a "financial institution."

35. When do all of the final closing documents have to be to the City, in order to ensure a Friday closing/funding? J-HAP closing documents are due for review, 9 days prior to the scheduled Friday closing date. Example: For a closing on Friday, May 23rd all closing documents must be submitted to the City by Wednesday May 14th.