



## **“Own Your Own (Build Your Dream)” Home Buyer Program INVESTOR**

**Revised October 29<sup>th</sup> 2015**

Northeast Shores’ commitment is to our neighborhood and our priority is to acquire vacant, abandoned and foreclosed homes and to return properties into productive use.

“Own Your Own (Build Your Dream)” Home Program is a cash or line of credit program. The Investor is solely responsible for securing cash or line of credit. Northeast Shores does not provide any lending services. However, Northeast Shores can refer you to institutions that may provide lines of credit. Upon the Investor securing cash or line of credit they must provide proof of funds to show the ability to purchase the property and to make the required repairs. The purchase agreement with Northeast Shores includes a revisionary clause that allows the organization to take ownership of the property should the investor fail to meet timeframe requirements. Because of the revisionary clause, banks will not support rehab loans for this particular home program.

Through the program “Own Your Own (Build Your Dream)” Northeast Shores acquires single and two family homes and then sells them on a first come first served basis. Investors are only eligible to purchase two family homes with the following options: 1) to rent both units out and 2) to convert from a two family structure into a single family, 3) After the conversion the investor **MUST** either sale or rent the property. 4) The investor must document “good faith” after completion of construction by showing how the property is being marketed via listing and/or websites. If one or more items listed below apply you are NOT eligible to purchase a property through the “Own Your Own (Build Your Dream)” program:

**Investors are NOT eligible to proceed with purchasing a property if any statements listed below are applicable:**

- 1) Foreclosure within the last 5 years;
- 2) Any existing tax liens within the last 2 years;
- 3) Any delinquent taxes
- 4) If you have filed bankruptcy it must be discharged for 3 years with reestablished credit;
- 5) Any unpaid judgements within the last 2 years;
- 6) Any unpaid mechanic liens within the last 2 years;
- 7) Any open housing violations within the last 2 years;

**If the Investor is eligible, the initial steps to purchasing a home include:**

- 1) Tour available properties
- 2) If you are a first time investor or if you own less than 2 investment properties proceed with the following steps:
  - 2a) Sign up for the Homebuyer Orientation Sessions with NHS (Neighborhood Housing Services).
  - 2b) Complete all homebuyer classes through NHS.
  - 2c) Schedule a one- on-one orientation with a NHS counselor to receive certificate.
  - 2d) Inform NHS counselor to forward the Task Assessment Log and certificate to Northeast Shores.
- 3) Investors that are not required to take the NHS classes will have their credit report pulled by Northeast Shores.
- 4) Investor **MUST** submit a portfolio of all rentals and sold properties.
- 5) Investor **MUST** submit the following documents: rent rolls, 3 years of tax returns, 4 months of bank statements and Articles of Incorporation (LLC. Etc...)
- 6) Northeast Shores project manager **MUST** complete a site visit of 2 or more investment properties.
- 7) Schedule a day and time to meet with the contractor(s) that you have selected.
- 8) Complete a development plan that **MUST** include: use of the property, scope of work and identify what scope of work will be completed by the investor and contractor.
- 9) Submit all quotes from the contractor to Northeast Shores with development plan.
- 10) Northeast Shores will need to package your documents: income, homebuyer certificate, and credit report and bank statements to receive committee approval.
- 11) Upon receiving approval you will complete an application and submit a \$100 nonrefundable application fee.
- 12) You will be notified about your approval via email or by phone.
- 13) You will be scheduled to come to Northeast Shores to sign your purchase agreement.
- 14) Surety Title Agency will make contact you within 30 days to schedule a day and time to come in and sign the closing documents.
- 15) All utilities **MUST** be transferred into the investor(s) name within 4 days of title transfer. The investor **MUST** submit proof at the initial walk-thru to the project manager from Northeast Shores.

Upon title transfer from Northeast Shores the buyer(s) will have 9 months, no more than 9 months with Northeast Shores approval to complete the renovation project.

### **Steps Prior to Renovating the Home:**

- 1) Buyer MUST obtain insurance for the property
- 2) All permits relating to the required list of repairs are to be obtained from the City of Cleveland, 601 Lakeside Avenue, Cleveland, Ohio 44114, room 510. Be sure to receive a Final Inspection(s) Sign-Off Form AKA Golden Rod when pulling your permit(s). This is required when inspectors come to your property to inspect all completed work.
- 3) The end investor will have 5 to 7 business days from date of title transfer to secure all required permits for the project. \*City of Cleveland Inspectors can supersede Northeast Shores required repair item and they can add additional items to be repaired.
- 4) Construction **Cannot Begin** until all required permits are pulled per the required repair list.
- 5) Once permits are pulled and copies are submitted to Northeast Shores, the permits are to be posted and displayed in the front window of the property for inspection purposes.
- 6) The project manager from Northeast Shores will complete an initial property inspection prior to construction start date. The project manager will review the repair list with the investor and take photos.
- 7) **No personal property can be moved into the property ie: boxes, beds, furniture and containers.**

In the event the investor cannot complete the renovation project within the allotted 9 month time frame; Northeast Shores can take back ownership of the property. The investor will forfeit the \$8,500 dollars and any property improvements (i.e. windows, cosmetic treatments, etc.). The investor will not be allowed to gain access to the property. If the investor is in need of a 30-60 day extension they **MUST** put the request in writing 30 days prior to the 9 month deadline. Upon approval or denial of the extension request the investor will be notified via email or by phone.

### **Steps to Renovating and Completing the Project:**

- 1) The project manager from Northeast Shores will complete bi-weekly inspections to monitor the progress of the project.
- 2) Within 90 days of starting construction all mechanicals: roof, HVAC, plumbing and electrical must be completed.
- 3) Investor must have all inspector signatures on the Final Inspection(s) Sign-Off Form AKA Golden Rod, no later than 4 months into the project timeline. This ensures that the investor has ample time to make any inspector required repairs.
- 4) After all inspectors have signed off on the Golden Rod you are required to take this form to the investor City of Cleveland 601 Lakeside Avenue, Cleveland, Ohio 44114, Room 517 and request a stamped copy.
- 5) The investor will receive the C of O (Certificate of Occupancy) within 6-8 weeks.
- 6) The project will not be closed with Northeast Shores until we receive a copy of the C of O.

Northeast Shores is a local community development corporation that creates a better North Shore Collinwood for everyone to live, work and visit. We are proud to serve this mixed income and mixed race neighborhood located on the shores of Lake Erie. We are a non-profit organization that increases homeownership in the neighborhood and helps entrepreneurs bring their business ideas to market. Over the last 10 years, our activities have resulted in over \$48 million in neighborhood investments.

I, \_\_\_\_\_, have read and agreed to the \$8,500 Own Your Own (Build Your Dream), Program Guidelines and Requirements. I, \_\_\_\_\_, will adhere to all policies and procedures before commencement of construction.

\_\_\_\_\_  
Homebuyer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Northeast Shores Development Corporation

\_\_\_\_\_  
Date