

Housing Authority of the Seminole Nation of Oklahoma

DOWN PAYMENT AND CLOSING COST ASSISTANCE PROGRAM OPERATING POLICY AND PROCEDURE

These policies and procedures were adopted by the Housing Authority of the Seminole Nation of Oklahoma on by Resolution #2019-04.

SECTION 1

GENERAL PROVISIONS

A. Introduction; Tribal Preference. The mission of the Housing Authority of the Seminole Nation of Oklahoma (“HASNOK”) is to provide decent, safe, sanitary and affordable housing to income-eligible Native Americans living or intending to live within its housing service area, as same may change from time to time. The Board of Commissioners (“BOC”) hereby enacts this the Down Payment Assistance Program Policy (“Policy”) in order to set forth the policies and procedures applicable to the Down Payment Assistance Program (“Program”) of the HASNOK. Enrolled members/citizens/Freedmen of the Seminole Nation of Oklahoma (“Nation”) will receive preferential consideration in the allocation of housing services and other resources in compliance with the Nation’s approved Indian Housing Plan and this Down Payment and Closing Cost Assistance Program Operating Policy and Procedure (“Policy”).

B. Purpose. This Policy is designed to serve as:

1. A guide to use in determining eligibility, selection of applicants, and occupancy standards;
2. A document to provide consistent, equitable, and uniform treatment of clients and applicants; and
3. A basis for decision-making by officers and employees of the HASNOK.

C. Interpretation; Applicability. This Policy supersedes any and all ordinances, policies, laws, or resolutions regarding the operation of the Down Payment and Closing Cost Assistance Program of the HASNOK (“Program”).

D. Compliance with Applicable Law. This Policy shall be implemented and may be conformed to comply with applicable provisions of the Native American Housing and Self-Determination Act of 1996, as amended (“NAHASDA”), the rules and regulations of the United States Department of Housing and Urban Development (“HUD”), and other applicable tribal, state and federal laws. **This Policy shall not be construed or applied to prevent the HASNOK from complying with the terms and conditions of any federal grant or contract, including any rules or regulations applicable to HUD-assisted programs.**

E. Sovereign Immunity. The HASNOK specifically retains all governmental immunities associated with its sovereign status. The HASNOK’s subsidiaries, employees, officers, and agents shall share in its sovereign immunity from suit. The HASNOK does not waive its sovereign immunity in any

respect and this Policy shall not be construed as such waiver.

F. Notice. All applicants for the Program shall receive a copy of this Policy, and shall acknowledge receipt in writing. The HASNOK shall post a copy of this Policy in the lobby of its headquarters.

SECTION 2

CONDITIONS OF ELIGIBILITY

A. Participant Eligibility Criteria. The following criteria shall govern eligibility for Program participation.

1. The Applicant must be a Native American member/citizen/Freemen, or a member of a Native American Family.
 - a. A Native American is defined as any person recognized as being an Indian or Alaska Native by a Tribe, the Federal government, or any State. Native American status must be verified by a Tribal Enrollment Card.;
 - b. A Native American Family is defined as a single Native American members/citizens/Freemen or a group of persons, with at least one Native American member/citizen/Freeman, residing in the household. Members of the family do not need to be related by blood, by marriage, or in any other legal capacity. A family includes:
 - i. A household with or without children. A child who is temporarily away from home due to placement in foster care should be considered a member of the family.
 - ii. An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age; or two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.
 - iii. A disabled family, which means a family whose head, co-head, spouse, or sole member is a

person with disabilities; or two or more persons with disabilities; or one or more persons with disabilities with one or more live-in aides. "Disabled" means and refers to any person who has a physical or developmental disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or the Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)). Disability status must be verified by at least two acceptable sources, such as medical professionals, the Social Security Administration and/or the Veterans Affairs Administration.

- iv. A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized by federal disaster relief laws.
 - v. A remaining member of a tenant family is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.
 - vi. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.
- 2. The Applicant must be at least eighteen (18) years of age;
 - 3. Subject to Section 2(B) of this Policy, the Applicant must qualify as a low-income family, whose income does not exceed eighty percent (80%) of the national median income, as set by HUD, at the time the assistance is provided. Income limits are adjusted for family size and updated on an annual basis. Income verification shall not be more than six (6) months old at the time the assistance is provided. The HUD income guidelines, as same may change from time to time, hereby are adopted, and incorporated by reference.
 - 4. The Applicant must be ready, willing, and able to meet all obligations of participation in the Program, including but not limited to credit qualification and pre-homeownership counseling obligations;

5. The home to be occupied by the Participant(s) (" Dwelling Unit") must be located within the Nation's designated housing service area for the Program as defined by the Nation's Indian Housing Plan;
6. The Dwelling Unit CANNOT have been built prior to 1978;
7. The Dwelling Unit must be free from defects, meet the definition of a standard home, and in compliance with all applicable building and occupancy codes;
8. The Dwelling Unit must pass an appropriate environmental inspection, including flood plain, wetland, and historic preservation clearances;
9. The Dwelling Unit must not present any lead-based paint hazards;
10. The Dwelling Unit must be a single-family dwelling, a town house, a condominium unit, or a manufactured/mobile home. Manufactured/mobile homes must be built after 1977 and located on a permanent foundation on property owned by the Applicant. Rental properties and cooperative units will not be eligible, nor will mobile homes that are not placed on a permanent foundation and/or on property not owned by the Applicant. Manufactured/mobile homes must have proper skirting and insulation attached to the perimeter and the axle and tongue must be removed from the unit;
11. The Applicant must be a first-time homeowner and not have owned any real estate within the last three (3) years. Exceptions to the first-time homeowner rule will be considered on a case-by-case basis and include:
 - a. An Applicant who already owns, as his/her principal residence, real estate that does not meet the definition of a standard home and is not in compliance with applicable building codes and which cannot be brought into compliance for less than the cost of constructing or purchasing a code-compliant structure, provided that such home is sold and a bill of sale presented to the HASNOK prior to the issuance of the assistance; and/or
 - b. An Applicant who is recently divorced or legally separated, where the previously owned home was

owned jointly by his/her spouse and the Applicant loses or relinquishes all ownership rights to said home.

12. The Applicant must intend to use the Dwelling Unit as his/her principal residence for a period of not less than five (5) years from the date the assistance is provided; and
13. The Applicant must publicly disclose any conflicts of interest arising from immediate family ties to any employee or member of the Board of Commissioners of the HASNOK, elected Tribal officials and/or General Council members.

B. Special Provision Regarding Non-Low-Income Applicants. A non-low-income family, which is a family whose income falls within 80 to 100 percent of the median income, may receive housing assistance only in accordance with 24 CFR 1000.110. A non-low-income family, however, is only eligible to receive assistance up to a maximum of ten percent (10%) of the total purchase price of the Dwelling Unit (including closing costs) or a total of \$8,000.00 in Program assistance, whichever amount is less. With the exception of the amount of assistance available, all other provisions of this policy are applicable to a non-low-income family.

C. Computation of Income. The Applicant's annual income shall be computed by choosing one of the three following definitions of annual income::

1. The Part 5 Definition (as same may change from time to time), which is defined in 24 CFR 5.609 and is incorporated by reference;
2. The Census Long Form Definition (as same may change from time to time), which is incorporated by reference; or
3. The IRS Form 1040 Definition (as same may change from time to time), which is incorporated by reference..

HASNOK shall use the Definition most advantageous to the applicant. When a Definition allows for excessive mileage, excess mileage shall not exceed twenty five dollars (\$25) per family per week, for employment or educational related travel.

D. Income Exclusions. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency or in indemnity compensation shall be excluded as income from any household annual income

calculation. Any other income exclusions set by NAHASDA (as may change from time to time) are incorporated by reference.

E. Ineligible Applicants; Participant Exclusion Criteria.

1. Ownership, use, or acquisition of an additional residence that is decent, safe, and sanitary before or during occupancy of a Dwelling Unit shall disqualify an Applicant from the Program.
2. Parties to land contracts, contracts for deed, lease-purchase agreements, or any other form of constructive mortgage specifically are excluded from participation in the Program.
3. Previous tenants who owe a debt to the HASNOK or to any public or Indian Housing Authority will not be eligible for Program participation until the owed monies are paid in full as evidenced by appropriate documentation or five (5) years have elapsed since the date of termination or abandonment of the previous lease, provided that the BOC approves the readmission of such former participants. Former Participants (inclusive of all programs administered by the HASNOK) who desire to be readmitted to the Program, shall be given the opportunity to appear before the Board of Commissioners to present any documentation, justification or other evidence why he/she should be considered for readmission to the Program. Landlord reference of payment history will be taken into consideration. The decision of the Board of Commissioners shall be final.
4. The HASNOK, in its sole discretion, may withhold admission to the Program if it is determined during the application verification process that the Applicant and/or any adult household member(s):
 - a. Have been evicted from any public or Indian Housing Authority or private rental property within the past three (3) years;
 - b. Have been determined to be guilty of program abuse or fraud in any federal housing assistance program;
 - c. Have previously abandoned, relinquished and/or damaged a unit owned by this or another Indian housing authority;

- d. Owe a debt to the HASNOK for past-due rent or damages to a program unit; and/or
 - e. Owe debts incurred from prior occupancy of a unit at any other Housing Authority or private rental property.
 - f. Have a history of conduct which indicates that the applicant would not be successful in homeownership.
5. Subject to Section 2(A) (12) of this Policy, current participants in any homeownership program of the HASNOK (including but not limited to the mutual-help, lease-purchase and the low-income housing tax credit programs) and previous recipients of Down Payment and Closing Cost Assistance are ineligible to participate in the Program.

F. Limitations. The following additional limitations apply to the Program:

1. No moneys will be expended for Dwelling Units that do not pass an appropriate environmental inspection, present lead-based paint hazards, or are located in areas designated as having special flood hazards under the Flood Disaster Protection Act of 1973 (unless suitable flood insurance is obtained at the participant's expense);
2. Each household is limited to a maximum of ten percent (10%) of the total purchase price of the Dwelling Unit (including closing costs) or a total of \$10,000.00 in Program assistance, whichever amount is less;
3. Although the maximum, individual grant amount under this program is \$10,000.00, an eligible applicant is not automatically entitled to that amount and will not receive that amount if a smaller grant will address the needs identified by the applicant and verified by the HASNOK;
4. If the Participant sells or conveys the home within five (5) years following the date the assistance is provided, the grant is voided and the full amount of assistance must be repaid to the HASNOK;
5. The Participant will not qualify for and shall not utilize the Minor Rehabilitation Program for a period of three (3) years and the Rehabilitation Program for a period of five (5) years from the date the assistance is provided;
6. The Program shall not be utilized for re-financing; and

7. Program assistance will be transferred to the company handling the real estate closing. No moneys will be granted, loaned or transferred directly to Program Participants.

SECTION 3

APPLICATION PROCEDURES

A. Application Requirement. The application is the basic record of each family applying for admission to the Program. Each Applicant is required to provide any and all information requested and to sign the application and related forms. All information and statements made by the Applicant are subject to verification. **Providing false statements renders the Applicant ineligible.** If an Applicant fails to provide a complete application, including any and all required supporting documentation, within thirty (30) days of the date of receipt of the initial application, the application shall be denied without further notice by the HANSOK and the Applicant must re-apply for assistance.

B. Application Procedure.

1. Applications are accepted at the Housing Authority office. Each application shall reflect the date and time received and shall bear the initial of the employee who accepted the application. Copies of the front page shall be handed to the Applicant as receipt of application.
2. All adult applicants must sign an authorization for release of information, which is required for third party verification.
3. In the event it is determined that an applicant has an immediate family tie to any HASNOK employee, Commissioner or elected tribal official, the HASNOK will publish a "Public Disclosure" in accordance with its Conflict of Interest Policy.
4. The application and all information relating to the family's eligibility shall be maintained in a file, along with all relevant correspondence. Files will be placed in one of three categories, as follows:
 - a. **"Eligible"** - Applicant has met initial eligibility requirements and has been placed on the waiting list for the program;

- b. **“Ineligible”** - Applicant has not met initial eligibility requirements and/or has been determined to be ineligible for the program; or
 - c. **“Inactive”**– Applicant has not updated the application within thirty (30) days of notification and has been removed from the waiting list pursuant to Section 4(E), below.
5. If during the application intake and screening process it is determined that the Applicant is ineligible for program participation, the Applicant will be informed of such determination, and the application classified as ineligible. In such instances, sufficient information and findings pertaining to the denial of services will be documented for the file. A certified letter with return receipt requested will be mailed to the Applicant within thirty (30) days of the date of denial. The notice shall specify the grounds for the denial of service and notify the Applicant of his/her right to appeal the decision pursuant to the Grievance Policy and Procedure of the HASNOK.
 6. All entries will be made in ink or typed. Corrections or changes will be made by striking through the original entry and entering the correct information. Such changes are to be dated and initialed by the person recording the change, with all changes and explanations noted in the record.
 7. Upon request, a disabled person may receive assistance from the HASNOK or a representative of his/her choice in completing the application.

C. Verification and Documentation of Application Information. Information submitted by each Applicant shall be verified to ensure that the information is true and correct. Complete and accurate verification records will be maintained. Each Applicant shall provide the following documents to substantiate his or her Indian status, identity, income and other conditions of eligibility. At a minimum, each Applicant shall provide copies of:

1. A Tribal Enrollment Card;
2. Social Security cards and birth certificates for all household members;

3. Federal tax returns or transcripts filed for the previous year or a notarized statement explaining why a tax return was not filed from the Applicant and each adult household member;
4. Copies of paycheck stubs from the Applicant and each household member with earned income;
5. Statements or award letters from agencies documenting unearned income (including but not limited to Social Security, General Assistance, Retirement, Unemployment Benefits, Department of Human Services Assistance, Oil and Gas Royalty and Veterans benefits); and/or
6. Certified statements from self-employed persons or persons whose earnings are irregular, setting forth the gross receipts, itemized expenses, and net income.

D. Waiting List.

1. Waiting lists shall be maintained for the Program. All eligible applicants shall be placed on the waiting list according to the selection preferences set forth in Section 4 of this Policy.
2. If, for any reason, the applicant becomes ineligible for participation, the applicant shall not lose his or her place on the waiting list for a period of 90 days. During the 90 day period, the applicant may be passed over by other applicants, but the applicant will not lose his or her ranking on the list. If, after 90 days, the applicant is unable to remedy the situation that resulted in the applicant's ineligibility, the applicant will be removed from the waiting list. If or when the applicant reapplies for participation, the applicant's ranking prior to being removed from the waiting list shall not be considered.
3. The waiting list shall be updated on a regular basis. Any Applicant wishing to be removed from the list must submit a written request; otherwise, no eligible applicant may be removed from the waiting list except for failure to update his or her application in accordance with Section 3(E), below.

E. Application Updates. Applicants shall update their applications and supporting documents and maintain current contact information on file no less frequently than every six (6) months. This is the responsibility of the applicant and not the HASNOK. Applicants who have not updated their applications within **thirty (30) days** of notification of the duty to update will be removed from the

waiting list and will have to re-apply to be placed back on the waiting list. These applicants will receive a new approval date and placed at the bottom of the waiting list. Inactive applications and supporting documents will be discarded after three (3) years.

SECTION 4

SELECTION OF PARTICIPANTS

A. Preference Categories and Point System. The HASNOK reserves the right to reconfigure the rank order when an applicant's living environment presents an imminent health or safety risk. In all other cases, the HASNOK shall allocate program assistance to the qualifying applicant(s) receiving the highest number of points as outlined below.

1. *Displaced.* Displaced households shall receive priority consideration if unit is available. This category includes only those households displaced by governmental action, or whose dwelling has been extensively damaged or destroyed by extreme weather, fire or other involuntary act. Persons displaced by reasons of misconduct or failure to meet financial obligations are specifically excluded from priority consideration under this category.
2. *Full Blood Indian Preference.* Preference shall be given where the Applicant(s) is a full-blood, enrolled Seminole Nation tribal member (qualified Applicant-households shall receive a total of 5 points priority consideration);
3. *Elderly and/or Disabled.* If there is at least one elderly and/or disabled member of the household, the household shall receive a total of four (4) points priority consideration. For purposes of this policy, elderly means and refers to persons who are sixty-two (62) years of age or older. "Disabled" means and refers to any person who has a physical or developmental disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or the Disabilities Assistance and Bill of Rights Act (42 U.S.C.6001(7)). Disability status must be verified by at least two acceptable sources, such as medical

professionals, the Social Security Administration and/or the Veterans Affairs Administration;

4. *Veterans*. If at least one veteran lives in the household on a permanent basis, the household shall receive a maximum of three (3) points priority consideration;
5. *Near Elderly*. If there is at least one near-elderly member of the household, the household shall receive a total of two (2) points priority consideration, provided that the household does not qualify for priority consideration based on elderly and/or disabled status. For purposes of this policy, near-elderly means and refers to persons who are at least fifty-five (55) years of age;
6. *All other Seminole Nation Tribal Members*. All other Seminole Nation tribal members, not including Freedmen, will receive one (1) point.
7. *First-time Applicants*. Qualified Applicants who have never received assistance under a homeownership program administered by the HASNOK and/or the Nation shall receive *one (1) point*.

B. Preference for other Tribal Members/Citizens/Freedmen. All other tribal members/citizens/Freedmen shall be given preference once Seminole tribal members are served and provided that the Applicant must possess a valid Tribal Enrollment Card.

C. Preference among Applications with Same Ranking Score. In the case of two or more applicant-households having equal preference, the date and time the application was received by the HASNOK shall determine which applicant-household is selected.

D. Informing Applicants about Preferences. The HASNOK shall inform all Applicants of the preferences set forth in this section and shall give Applicants an opportunity to demonstrate that they qualify for such preferences.

E. Notice and Opportunity for a Meeting if Preferences are Denied. If an Applicant does not qualify for a claimed preference, the HASNOK shall notify the Applicant in writing. The notice shall briefly describe the reasons for the

determination and notify the Applicant of his or her right to appeal the determination pursuant to the HASNOK's Grievance Policy.

F. Notification of Selected Applicants. The HASNOK shall notify applicants who are selected for Program participation in writing. The notification shall include, at a minimum, the following information:

1. A statement that the Participant has been selected for participation in the Program;
2. A brief description of the Program and summary of the Participant's responsibilities;
3. If applicable, the time and place for training/counseling activities; and
4. Notification that the Participant has fifteen (15) days in which to respond to the notice, either by accepting or rejecting the assistance offered. Failure to respond shall be regarded as a rejection of the offer.

G. Refusal of Services; Failure to Respond. If a Participant refuses or fails to respond to the offer of assistance under the Program, the Participant will be removed from the waiting list and must re-apply for services under the Program and will be placed at the bottom of the waiting list.

SECTION 5

IMPLEMENTATION

A. Pre-homeownership Counseling. The Participant must sign a counseling agreement that will require the Participant and any co-borrower to attend a series of one-on-one counseling sessions prior to the purchase of the Dwelling Unit. The counseling sessions may include credit establishment and rehabilitation, maintenance obligations, goal identification, and the mortgage loan process. Attendance is mandatory for all counseling sessions scheduled by the HASNOK, and participation in such programs is a condition of participation in the Program. The form of Agreement attached as Appendix "A" to this Policy is adopted and incorporated by reference.

B. Mortgage Loan Qualification. The Participant must qualify for a first mortgage loan administered by a local lending institution in the amount of the total purchase price of the Dwelling Unit within ninety (90) days of the date of the

notice of selection provided by the HASNOK pursuant to Section 4(B) of this Policy. The mortgage must have reasonable terms, including a term of at least fifteen (15) years at a fixed, reasonable interest rate. The HASNOK will not provide assistance in connection with any land contracts, contracts for deed, lease-purchase agreements, or any other form of mortgage or constructive mortgage. The Participant must submit a Request for Loan Approval within the ninety (90) day period, unless the HASNOK grants an extension in writing. The HASNOK may extend this period of time in one or more increments, not to exceed an additional sixty (60) days, provided that the Participant is actively seeking a mortgage loan and remains qualified for Program participation in all respects. If the Participant fails to secure a suitable mortgage loan within the applicable time frame, the HASNOK shall notify the Participant in writing that he/she is ineligible for continued participation and must re-apply for assistance under the Program.

C. Request for Loan Approval. Participant(s) shall turn in a Request for Loan Approval at least forty-five (45) days prior to the anticipated closing date for the real estate transaction. The Participant shall identify the Dwelling Unit to the HASNOK and provide verification by the lender as to the Participant's qualification for the loan, the terms of the loan, and the purchase price and closing costs associated with the loan. The HASNOK shall not approve the Request until satisfactory completion of the appraisal, environmental review and inspection of the Dwelling Unit as outlined in this section.

D. Appraisal. The Participant must obtain a certified appraisal of the Dwelling Unit at his/her own expense. The total value of the Dwelling Unit as determined by the appraisal shall not be less than the purchase price negotiated by the Participant. The total value of the land associated with the home must not exceed thirty percent (30%) of the total appraised value of the property. Any land in excess of this amount will not be included as part of the computation of assistance pursuant to Section 6(A) of this Policy. If the Dwelling Unit is owned by a member of the immediate family of the Participant or an immediate family member of any member of the Participant's household, two (2) appraisals shall be performed and the assistance must be approved in advance by the Board of Commissioners of the HASNOK. For purposes of this Policy, an immediate family member includes a parent, child, stepparent, spouse, son-in-law, daughter-in-law, stepchild, uncle, aunt, sibling, and/or grandparent.

E. Inspection. The HASNOK shall inspect the Dwelling Unit and grounds in order to verify that the unit meets the definition of a standard home and complies with all applicable building and occupancy codes. A lead-based paint inspection may also be required. The Participant may have a representative of his/her choice present at the initial inspection. After the initial inspection, the Property Owner will be given thirty (30) days to correct the noted

deficiencies. The 30-day period may be extended by the HASNOK on a case-by-case basis. If the thirty (30) day period and any approved extensions have elapsed or the unit has failed following two (2) re-inspections, the Participant must select another Dwelling Unit to be eligible for Program participation. The HASNOK may waive the on-site inspection requirement in its sole discretion, provided that the HASNOK has received a copy of a report from an inspector licensed in the State of Oklahoma and that such report indicates the Dwelling Unit is free from major defects.

F. Closing of Real Estate Loan. The lender and/or closing company will provide standard real estate forms, will set closing dates and times and will ensure that all paperwork is complete prior to closing. **It is the responsibility of the Participant to notify the HASNOK of the closing date at least ten (10) business days prior to the closing.**

G. Restriction Against Alienation. The HASNOK will file a lien reflecting the amount of the assistance in the land records office of the County where the real property is located. The lien will be released after a period of five (5) years from the date the assistance was provided to the Participant. The lien shall be subject to earlier release in accordance with the Useful Life Policy of the HASNOK, which hereby is adopted and incorporated by reference.

H. Insurance. The Participant shall carry homeowner's insurance at the time the assistance is rendered, and shall maintain such coverage in effect for a period of five (5) years thereafter.

I. Principal Residency/Useful Life Restriction. The Participant shall occupy the Dwelling Unit as his/her principal residence at the time the assistance is rendered and for at least five (5) years following the date of closing.

SECTION 6

ASSISTANCE CALCULATION AND PAYMENT

A. Subsidy Calculation. Each household is limited to a maximum of ten percent of the total purchase price of the Dwelling Unit (including closing costs), or a total of \$10,000.00 in Program assistance, whichever amount is less. If a sub-standard home is sold by the Participant pursuant to Section 2(A) (12) (a) of this Policy, the proceeds of such sale must be applied to reduce the purchase price of the home prior to calculating the amount of assistance. If the Dwelling Unit is a manufactured/mobile home, closing costs may include the tag, registration, taxes, relocation, and set-up costs.

B. Issuance of Assistance. After issuance of a loan commitment to the Participant, a check in the amount of the down payment assistance will be

sent to the lender or closing agent through certified mail and/or hand-delivery. The check shall be made payable to the closing agent. No moneys will be granted, loaned or transferred directly to Program Participant(s).

SECTION 7

RULES AND CONDITIONS OF CONTINUED PARTICIPATION

A. Principal Residency Requirement. The Participant(s) must take possession of the Dwelling Unit within thirty (30) days of the closing date and continue to occupy the Dwelling Unit as their principal place of residence for not less than five (5) years. Participant(s) shall not sell, sub-lease or convey the Dwelling Unit during the five (5) year period. A Dwelling Unit which has been unoccupied for a period of **thirty (30) days** or more may be determined to be abandoned in violation of this Policy.

B. Counseling/Continuing Education. Participants may be required to participate in ongoing educational programs regarding maintenance obligations, financial responsibility and other aspects of Program participation or preparation for homeownership. Attendance is mandatory for all counseling sessions scheduled by the HASNOK and participation in such programs is a condition of continued participation in the Program.

SECTION 8

TERMINATION OF PROGRAM PARTICIPATION

A. Grounds. Participant(s) may be subject to termination of Program participation for reasons including, but not limited to, the following:

1. The acquisition or occupancy of another home or failure to continue to use the Dwelling Unit as the family's principal residence;
2. Failure to comply with income reexamination requirements;
3. Misrepresentation of income, household composition or other material fact(s), regardless of whether the Participant is or is not eligible to participate at the time the misrepresentation is discovered;
4. More than three (3) unexcused absences from scheduled appointments with HASNOK staff for inspections, counseling, recertification, or any other purpose;

5. Failure to supply any requested certification, release, information, or documentation as the HASNOK determines to be necessary;
6. Selling, sub-leasing, conveying or abandoning the Dwelling Unit;
7. Interference, obstruction or non-compliance with inspection requirements; and/or
8. Other material violation of any term or provision of this Policy or other tribal, state, or federal law or regulation.

B. Procedure. In the event of non-compliance with any of the provisions set forth in this Policy, the HASNOK may terminate the Participant's participation in the Program, according to the following procedure:

1. The HASNOK shall send a letter stating that the household is not in compliance with a specific provision of the Policy, describing the satisfactory means of resolving the violation, if any, and providing that such violation must be cured within ten (10) calendar days of the date of the notice.
2. If the Participant(s) does not cure the violation within the timeframe specified, the HASNOK shall issue a notice to terminate his/her participation in the Program. The notice shall advise the Participant of his/her right to appeal the decision to terminate services pursuant to the Grievance Policy of the HASNOK.
3. Participant(s) whose conduct constitutes fraud or presents an imminent threat to the continuation of the Program or the health, safety and/or welfare of others shall not be entitled to the thirty (30) day notice period and opportunity to cure set forth in this Section.
4. If the Participant(s) receives three (3) letters of non-compliance, the HASNOK may issue a notice to terminate services pursuant to the Grievance Policy of the HASNOK.

C. Additional Remedies of the HASNOK. In addition to terminating the Participant's participation in the Program as outlined above, the HASNOK may pursue any and all legal remedies to collect such amounts as are determined by the HASNOK to be due and owed by the Participant. The District Court of the Seminole Nation of Oklahoma and/or such other tribal court as may hereinafter be established by the Seminole Nation of Oklahoma shall be considered courts

of competent jurisdiction for purposes of enforcement of this Policy. The Participant irrevocably consents to the jurisdiction of the above-referenced courts as a condition of participation in the Program.

D. Additional Payments Due to the HASNOK. Additional charges to the Participant shall include, but are not limited to:

1. Attorney's fees and court costs; and/or
2. Other charges specified under any applicable tribal, state, or federal law or regulation.

E. Enforcement Subsequent to Court Action. The following provisions apply to the collection of any court-ordered payments due to the HASNOK:

1. Repayment of delinquent amounts subsequent to a court order shall be in full.
2. The HASNOK may collect judgment debts from previous or current Participant(s) by:
 - a. Garnishing wages; and/or
 - b. Placing liens on property.
3. Should written arrangements be made and the provisions thereof breached, the account may be referred to an attorney without further notice or action on the part of the HASNOK.

SECTION 9

MISCELLANEOUS PROVISIONS

A. Inspections. Employees and agents of the HASNOK are entitled to enter the premises to conduct inspections, investigate compliance issues or for any other necessary and reasonable purpose related to the Program prior to completion of the work. The participant shall make the premises available for inspection by the HASNOK upon request, or be subject to termination of participation in the Program.

B. Confidentiality. Pursuant to Part 256 of 25 CFR, all information obtained by the HASNOK in order to establish suitability for Program participation shall be kept strictly confidential. Permissible disclosures of the information may occur during program reviews or audits, investigations by authorized law

enforcement personnel or as necessary to comply with any reporting requirements of the Nation or its funding agencies.

C. Limitation of Liability; Indemnification. The HASNOK and/or the Nation shall not be liable to the Participant for any damages arising from participation in or implementation of the Program. Further, the Participant(s) agree to hold the HASNOK and the Nation harmless from any claim, obligation, liability, loss, damage or expense, including without limitation attorney's fees and court costs, arising from any condition or natural feature -- known or unknown -- affecting the Dwelling Unit.

D. Disposition of Personal Property. In the event of abandonment or termination of Program participation, the HASNOK may remove and dispose of any personal property left remaining in the Program unit for a period of fifteen (15) days following the date of abandonment and/or termination.

E. Appeals. An applicant/participant may appeal a denial of service, an unsatisfactory amount of grant assistance or other aspect of participation in the Program pursuant to the Grievance Policy and Procedure governing all programs administered by the HASNOK. A copy of the Grievance Policy and Procedure may be obtained from the Housing Authority office, located at 101 South Hitchite, Wewoka, Oklahoma 74884.

F. Sovereign Immunity. HASNOK specifically retains its sovereign immunity and nothing contained within this policy shall be considered a waiver of HASNOK's sovereign immunity.

APPENDIX "A"

HOMEOWNERSHIP COUNSELING AGREEMENT

This Agreement certifies that _____ and the Housing Authority of the Seminole Nation of Oklahoma ("HASNOK") pledge cooperation in the process of attaining housing goals as determined by the Participant with the assistance of the counselor.

The Participant recognizes the need for counseling and pledges full cooperation with the counselor. The Participant will provide to the counselor any and all information that is required relating to pre-qualification for a mortgage loan or other housing-related goal. The Participant recognizes that it may become necessary to obtain information from outside sources, including but not limited to credit reports, employment and household verifications and other financial information. The Participant therefore authorizes the counselor to obtain additional information from outside sources when necessary to fulfill the obligations of this Agreement. The Participant acknowledges that participation in this counseling program does not guarantee loan approval or receipt of a down payment assistance grant from the HASNOK.

The Participant also agrees to participate in a pre-homeownership counseling program as prescribed by the HASNOK. The program will require the Participant to attend one-on-one and/or group counseling sessions as recommended or required by the HASNOK. Failure to complete this program will result in the Participant becoming ineligible to receive assistance under the Down Payment and Closing Cost Assistance Program.

_____	_____
Applicant/Borrower	Date
_____	_____
Co-Applicant/Co-Borrower	Date
_____	_____
HASNOK Representative	Date