



## **PRE-PURCHASE INDIVIDUAL COUNSELING CERTIFICATE HOMEOWNERSHIP PROGRAM**

The Central Jersey Housing Resource Center Corp. (CJHRC) has had many individuals and households seeking to attain homeownership. Statistics and history show the benefits from pre-purchase counseling. Many down payment and closing cost grant programs and special mortgage products require a pre-purchase counseling certificate from a HUD agency. Due to the pandemic, CJHRC continues to offer our pre-purchase individual counseling by phone. CJHRC never charges clients for their services due to the generosity of our financial supporters.

### **Pre-Purchase Overview**

CJHRC is a HUD housing counseling agency which is important when seeking a homebuyer education certificate. The goal of the counseling is to prepare you for all aspects of the home buying process. Knowing what is involved in the home buying process helps you understand what will be expected.

### **Pre-Purchase Counseling Process**

- If you are interested, call 908-446-0037 and speak with a CJHRC counselor who will gather information and do an intake. They will then provide and need back several disclosures and items. A document checklist is attached (on the back of this page). Counseling cannot be scheduled until the required disclosures are received by email, mail or dropped off, as well as the documents on the attached checklist are mailed or dropped off to our office at 92 E. Main Street, Suite 407, Somerville.
- Once documentation is received, the counselor will schedule your phone counseling appointment(s). Phone counseling usually takes a **minimum** of 4 hours. Sometimes clients schedule four one hour sessions or some opt to do several 2 hour sessions. Appointments are offered on weekdays between 9:00 and 3:00 and, if necessary, on weekends (only special circumstances).
- All parties who will be on the deed, mortgage and/or affordable housing documents will need to participate in all counseling sessions and submit required documentation.
- Once counseling is completed and all required forms are signed, you will receive a Certificate of Completion that is good for one year.

*Pre-Purchase Individual Counseling is sponsored by: Affinity Foundation, Bank of America Charitable Foundation, Capital One, Columbia Bank Foundation, Franklin Township CDBG, Fulton Bank, N.A., HUD, Investors Foundation, Johnson & Johnson SC Companies, KearnyBank Foundation, M&T Charitable Foundation, MagyarBank Charitable Foundation/Magyar Bank, Hon. Joseph H. Metelski, Millenium Home Mortgage, LLC, NJM Insurance Group, Peapack-Gladstone Bank, PNC Foundation, PSEG Foundation, Santander Bank, N.A., SC Dept. of Human Services, Somerset Savings Bank, SLA, State Farm, Synchrony Bank, TD Charitable Foundation, The Provident Bank Foundation, The Tyler Foundation and Wells Fargo Foundation.*

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# PRE-PURCHASE COUNSELING

## DOCUMENT CHECKLIST

- Below is a list of documents that your counselor will need in advance of your phone/virtual/in-person counseling appointment (you can drop it off, mail it or use another type of delivery service). We cannot print documents from emails.
  - Please send everything that applies to you if it is not applicable, put N/A
  - A key component of this counseling is to prepare a budget, as well as review your debt to income ratios. That's why so important to send the information below. A draft budget form is attached please fill in the plan column and the top income information.
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1. Copy of at least one credit report from one of the 3 credit reporting agencies. These can be obtained at [www.annualcreditreport.com](http://www.annualcreditreport.com) or [www.creditkarma.com](http://www.creditkarma.com). Once enrolled in counseling, clients can opt to have CJHRC run a soft pull tri-merge credit report which will provide credit scores from the 3 credit bureaus after completing an authorization form.
2. Copies of complete Tax returns of recent 3 years, both Federal (1040, not W-2 forms) and State. If you cannot locate your federal tax return, you can get a transcript online ([IRS.gov](http://IRS.gov)) or by calling 1-800-908-9946. If you did not file a tax return for any of the required years, a notarized letter is required.
3. Pay Stubs for all household members who will be listed on the mortgage (last 4 paystubs). If household members are not working, submit copies of unemployment compensation. If self-employed, a profit and loss statement is needed.
4. Any other source of income: Pension, Social Security, alimony, child support (copy of court decree), etc. (All separated applicants must provide a settlement agreement, divorce decree, or division of assets signed and notarized by both parties. Separated applicants purchasing affordable housing must provide a notarized release form from the spouse).
5. Bank Statements (for the most previous 2 months; checking and savings accounts)
6. Utility Bills (most recent water/sewage, gas/oil, electricity, telephone)
7. Car Loan Statement (most recent) – if applicable
8. Car Insurance Statement (most recent)
9. Student loan statement – if applicable
10. Credit Card Statements (most recent)
11. Cell Phone Statement (most recent)
12. Medical Expense Statement (most recent not covered by insurance) – if applicable
13. School Tuition and/or Child Care Statement (most recent) – if applicable

### IF YOU HAVE ALREADY SELECTED A HOME TO BUY, ALSO INCLUDE:

14. Pre-approval and/or loan estimate from a financial institution stating the amount you qualify to mortgage along with other details. Usually potential buyers cannot get an FHA loan if buying a State of NJ Low and Moderate Income unit due to the deed restricted covenants.
15. Copy of the executed Contract of Sale. All parties (seller and purchaser) must have signed applicable sections of the contract.
16. Copy of the home inspection report.

