

## Homebuyer Direct Program

### Questions & Answers

- Q. How do I purchase a home from the Cook County Land Bank Authority (CCLBA)?
- A. Available properties may be viewed at [www.cookcountylandbank.org](http://www.cookcountylandbank.org). Scroll your mouse over the “News & Programs” heading at the top of the page, then click on “Homebuyer Direct Program” in the drop down menu. If you are interested in a property and wish to see it, click “Apply”. You will be asked to create an account, then complete a short application. CCLBA will then make arrangements for you to see the property. If you are working with a Real Estate Broker, then the Real Estate Broker will meet you at the property to show it. If you wish to put in an offer, go back to the property address on the website, click “Offer” and complete the questions. CCLBA will be in contact with you to let you know the status of your offer.
- Q. Do I need to be pre-approved by a lender?
- A. If you are financing the purchase then yes, your offer should be accompanied by a pre-approval letter from your lender. If you are paying cash, please provide proof of funds.
- Q. May I offer less than the minimum price?
- A. Yes, you may offer less than the minimum.
- Q. Are there income restrictions under your program?
- A. CCLBA does not impose any income restrictions on buyers.
- Q. What are your down payment requirements?
- A. CCLBA does not impose down payment requirements. Down payment requirements are usually determined by the lender. However, CCLBA does require a non-refundable \$1,000 application fee, which is applied as a credit at closing. Funds must be in the form of a certified check made out to the Cook County Land Bank Authority.
- Q. Will my application fee be returned if I am denied mortgage financing?
- A. The application fee will be returned upon providing CCLBA with a copy of the Notice of Denial from the buyer’s lender. However, if the loan is being denied due to a misrepresentation of income, assets, or debt disclosed for the pre-approval, then the fee will not be returned.
- Q. May I work with my Real Estate Broker?
- A. Yes, your Real Estate Broker is welcome and will earn a flat fee of \$2,500 on a purchase with a price up to \$100,000. On a purchase over \$100,000 a commission rate of 2.5% will be offered.
- Q. How does the CCLBA make a decision when there are multiple offers for the same property?
- A. CCLBA will look at occupancy, contract contingencies, loan down payment, and first time homebuyers.
- Q. What if the home does not appraise for the offer amount?
- A. CCLBA prices its properties below the market value using comparable sales information from the Multiple Listing Service. In the unlikely event that a home appraises for less than the offer price, CCLBA will review the appraisal and consider an adjustment to the purchase price if warranted.

- Q. How long do I have to get loan approval? How long do I have to close?
- A. Typically, the lender issues a loan commitment within 30-45 days and closes shortly thereafter. Please check with your lender. CCLBA will grant contract extensions if warranted.
- Q. What is the repaired value of the home?
- A. Your Real Estate Broker can provide an estimated value for the rehabbed property. Further, the lender will complete an "as completed value" appraisal.
- Q. Are there any down payment assistance programs I can use?
- A. Yes, check with the following for down payment assistance programs:
- a. Your lender may offer assistance;
  - b. City of Chicago;
  - c. Neighborhood Housing Services;
  - d. Illinois Housing Development Authority; and,
  - e. Your Real Estate Broker
- Q. How quickly may I close?
- A. Depending upon the source of funds, cash buyers typically are ready to close within 30 days. If you are working with a lender, a lender's average closing time is 45-60 days. Please check with your lender.
- Q. If I change my mind can I get my application fee back?
- A. The \$1,000 application fee is non-refundable unless the buyer's financing is declined, provided the denial is not due to buyer misrepresentation.
- Q. Do I need an Attorney?
- A. Buyers are encouraged to seek legal representation. Neither CCLBA nor its attorney can provide legal advice to the buyer.
- Q. Do I need to attend a homebuyer education class?
- A. Buyers are **highly** encouraged to attend a homebuyer class. Some lenders or entities offering down payment assistance will require homebuyer education. Please check with your lender or with the entity offering down payment assistance.
- Q. Does CCLBA lend money?
- A. CCLBA does not lend money. Buyers seeking financing may select any lender they so choose.
- Q. Are there any lenders associated with this program?
- A. Yes. Please see a list of our Lending Partners under the Homebuyer Direct page of CCLBA's website.
- Q. What are my options for paying for the home?
- A. Homes may be purchased via Cash or Financing.
- Q. Do you offer rent to own?
- A. No, CCLBA does not offer rent to own.

- Q. What type of loan is acceptable for the purchase of the home?
- A. A Purchase/Rehab loan would be the most appropriate type of loan for this program. However, buyers will work with their lender to determine the best loan product and terms for their financial situation.
- Q. Will the CCLBA conduct repairs requested by my lender?
- A. No. CCLBA will turn on utilities (water, gas, electric) if requested by your lender; however the properties are being sold "As Is, With Any and All Faults".
- Q. Is there an expectation for the level / quality or cost of rehab completed?
- A. The only expectation is that the rehab complies with all local, county, and state building codes and ordinances.
- Q. Do you help qualify contractors?
- A. CCLBA will confirm that the Contractor is in "Good Standing" with the State of Illinois, and properly licensed and bonded to do business in the respective municipality.
- Q. May we live in the home while we're in the process of rehabbing?
- A. Occupancy prior to the completion of rehab depends on safety, soundness, and structural integrity. Many Cities and Villages require a "Certificate of Occupancy" prior to living in the home. Buyers are encouraged to reach out to the local municipality and inquire about occupancy requirements.
- Q. Do you provide an inspection report?
- A. Yes, CCLBA will provide a preliminary home inspection report; however, this report is for informational purposes only. The inspector may not be held liable for items missed. Inspections are the responsibility of the buyer.
- Q. Will I be allowed to hire my own inspector(s)?
- A. Yes, buyers are strongly encouraged to conduct their own inspection(s) so that they may determine the condition of the property and level of rehab needed. Homes sold by CCLBA are sold "As-Is, With Any and All Faults".
- Q. Does my inspection need to be completed before or after going under contract?
- A. CCLBA strongly encourages buyers to complete inspections prior to making an offer. Inspections may also be completed within the time period noted in the purchase and sales agreement.