

## Section 32 Instruction and Fact Sheet

### Quick Overview:

Attached is the Application, Recommended Lender list, along with the Interest Packet which quickly overviews the program. In the Interest Packet you will find that a One-on-One Counseling Session along with a Homebuyer Education Class is a program requirement. The Homebuyer Education Class can be taken online and with **any** HUD Certified Agency listed in the Attached Interest Packet.

We ***do not*** require that the buyer use a lender on the list provided. However, it is a program **requirement** that the issuing Lender write a Private Portfolio Loan; otherwise known as a Seller Carryback, as the City stays invested in the property for 10 years. The list provided is simply a **courtesy** to help the buyer find a Mortgage Company that can issue the loan needed to proceed. \*Note to Lenders: Please call our office for details\*

The Homebuyer Education Class and Pre-Purchase Counseling session needs to be completed prior to writing a contract. A link through Trellis will be issued to take this class online and will be paid for by the City of Phoenix.

**There is no price negotiation or multiple counter offers made.** It is simply first come, first serve. The person to be considered in first position for a property is who has turned in a completed application along with a PreQual and an Agency Disclosure (details below).

We do work with and encourage buyers to have a Realtor; as Section 32 Home Coordinators, solely represent the Seller. **(Scattered Sites residents should contact a Section 32 Home Coordinator prior to finding a realtor).**

### Application Directions:

1. The application MUST be filled out in **BLUE INK**, as this is the only way to validate it as an original (program requirement.) **Any and all applications not filled out in BLUE INK will be rejected.** This rejection could be the determining factor on whether the buyer is in first or second position for a particular address.
2. **The buyer must provide copies of the forms listed on the "List of Documents Needed" sheet.**
  - a. It is imperative that the buyer provide their Birth Certificate, Driver License, and Social Security Card in COLOR as stated.
    - i. Please ensure that the copies are legible or they will be rejected and will substantially slow the application approval process.

## How to Submit

The buyer has two choices on how to submit their application in full.

1. The forms and copies can be mailed or hand delivered to our office, Monday-Friday 8am to 5pm, at:
  - a. 251 W. Washington Street, 4th Floor  
Phoenix, AZ 85003
2. By email to [homeownership@phoenix.gov](mailto:homeownership@phoenix.gov)
  - a. If this is the chosen route, then the documents **MUST** be scanned in **color and in PDF** format. A jpg or png will be rejected, nor will it be reviewed.

## Attention Realtors

1. Your Agency Disclosure form is **required** to accompany your client's application, as it would with an AAR Contract.
  - a. If not promptly submitted, it will slow down the approval process and put your client at risk of losing their first place position.
2. We require that you submit all required forms and documents on behalf of your client, as you would with a normal Buyer/Seller transaction.
  - a. Please see the Application Directions above if needed.
3. The listing agency does not hold a normal LA position. Please do not call or email the LA with questions. Rather, reach out to our office directly and speak with a Section 32 Homeownership Coordinator at [602-534-4584](tel:602-534-4584) or [602-534-9888](tel:602-534-9888) or [homeownership@phoenix.gov](mailto:homeownership@phoenix.gov).

## First Steps

1. Find a lender that can write a Private Portfolio Loan

-OR-

**Skip step 1** by calling one of the Recommended Lenders, on the list provided, and simply obtain a PreQual.

2. Complete and return the full application **along with** the required document copies to the Section 32 Office. (see above "Application Directions" for details.)
  - a. 100% completed applications will be reviewed within 2 business days of submittal.
3. Start shopping for a home with a Realtor.
  - a. If a property address has already been identified, then make sure to list the address on the Questionnaire Form to **avoid approval delays.**
4. Call and schedule a One-On-One Counseling with a certified HUD Agency
5. Once approval has been completed then the contract will be written by a Homeownership Coordinator as the City of Phoenix **does not** recognize AAR forms.
6. The buyer will then sign the Purchase Contract electronically.

- a. If a Realtor is involved, then they will be included in the signing session as a Read Only participant.
7. Once the Purchase Contract has been fully executed by all parties, it will then be emailed to the Lender, Title, and the Realtor.
  - a. **No Earnest Money is Required.** However, each lender does require that the buyer deposit a percentage of the down payment into Escrow at least 14 days before closing. Please inquire about the deadline and amount needed with the lender who is issuing the loan.
8. Buyers will have 30 days to inspect the home.
  - a. The 30-day countdown starts the day the fully executed contract was emailed.
  - b. The home is being sold in AS IS Condition.
  - c. A copy of our home inspection along with a list of items corrected found on the home inspection summary, will be provided along with the Seller Property Disclosure Statement.
  - d. The City of Phoenix cannot issue a CLUE report. The buyer can, however, obtain one for a small fee on numerous websites that offer those services.
  - e. The City of Phoenix pays for the Termite Inspection and will provide all parties with the Inspection Certificate.
    - i. If the Home comes back positive, then the City will treat the home AND provide a One Year Warranty with the option to renew.
      1. The Buyer is responsible for paying the renewal fee.
  - f. The City will purchase a One Year Home Warranty through Landmark Home Warranty valued at \$375.00 (essential plan.)
    - i. If the Buyer chooses to upgrade the policy, then it is the Buyers responsibility to pay the difference owed at closing.
      1. Please keep in mind, that Down Payment Assistance Programs **do not** allow this amount to come from their proceed contribution.
      2. Section 32 will need to be notified of the upgrade desired within **5 days** of contract.
9. A Pre-Final Walkthrough **must be** conducted **7 days** prior to Close of Escrow.
  - a. This is to ensure that a City of Phoenix Crew can be scheduled to make any adjustments or repairs should the home not be in the same condition as when the contract was signed.
  - b. They may walk the property again 24 hours before close if they wish.
10. Now you get to move into your new home!!!

**Trust us, we have closed over 75 of these deals in the last 1.5 years. If you follow our instructions then this process, is less painful than buying a Non-Sec 32 Home 😊**

## Lenders for Section 32

**Katherine Sciascia - In House Wish Money Available**

TruWest Credit Union

Mortgage Loan Officer

NMLS #70173

Direct # 602-629-1807

Toll Free: 855-841-9203

E Fax 602-914-8556

[KSciascia@truwest.org](mailto:KSciascia@truwest.org)

**Tresa Kon**

Arizona Central Credit Union

Senior Mortgage Loan Originator

NMLS #1545187

Direct: 602-523-8151

Fax: 602-631-4275

[Tresa.Kon@azcentralcu.org](mailto:Tresa.Kon@azcentralcu.org)

**Daniel Gonzalez - In House Wish Money Available**

Trellis

Loan Originator

NMLS # 91640

P 602.424.5332 F 602.424.4038 [TrellisAZ.org](http://TrellisAZ.org)

1405 E. McDowell Rd., Phoenix, AZ 85006

[dgonzalez@trellisaz.org](mailto:dgonzalez@trellisaz.org)



# SECTION 32

# HOMEOWNERSHIP PROGRAM

## STEP INTO HOMEOWNERSHIP!

Congratulations! You've already taken an important first step toward learning how you can become a homeowner. Planning and preparation are essential to successful homebuying. As a participant in the \*Section 32 Program, we will guide you through each phase of the process.

### FOLLOW THESE STEPS:

1. Read through all of the program qualifications to determine if you are eligible to move forward with the process.
2. Contact a HUD approved Housing Counselor to schedule a meeting.
3. After you have met with a Housing Counselor, contact our City of Phoenix Homeownership Coordinator at 602-534-4584 or 623-534-9888 to complete a Section 32 Application.

## PROGRAM BENEFITS

- Designed for lower income families
- 20% off appraised value of home
- No more landlords
- No mortgage insurance
- Possible grants for additional assistance

\*Your income cannot exceed this amount\*

Family Size	Income Maximum
2	\$56,550
3	\$63,600
4	\$70,650
5	\$76,350
6	\$82,000
7	\$87,650
8	\$93,300
9	\$98,950
10	\$104,600
11-16	Please call 602-534-4584

Subject to change when HUD publishes revised income limits.

\*Program subject to change without notice





## Section 32 Homeownership Program

KEYS TO OPPORTUNITY | STABILITY | FREEDOM

### What is the Section 32 Homeownership Program?

Section 32 is a homeownership program offered by the City of Phoenix Housing Department that provides low-income families an opportunity to purchase their first home. Eligible participants may receive down-payment and closing-cost assistance toward the purchase of a quality, affordable home.

The Section 32 Homeownership Program is offered to first-time homebuyers who are at or below 80% Area Median Income (AMI), and who will use the home as their primary residence. The purchase price will be the current (within 6 months of purchase) appraised value of the home. Eligible properties must pass a Housing Quality Standards (HQS) inspection. Homeownership, financial fitness and hands-on maintenance classes are provided and required.

The City of Phoenix Housing Department offers a 20% discount of the appraised value in the form of a city loan, called the City Investment Loan. The City Investment Loan is a 10 year, no interest, no payment loan. During the term of the City Investment Loan the premises must be owned and occupied as the principal residence. Beginning on the sixth anniversary of the City Investment Loan, and each and every year thereafter, provided the premises are owned and occupied as the principal residence, 20% of the original principal balance of the City Investment Loan shall be forgiven on the date of each such anniversary. This schedule is established so that the indebtedness evidenced by this Note shall be fully forgiven on the tenth anniversary of the recording of the Deed of Trust on the premises.

Contact:  
City of Phoenix Homeownership Coordinator  
602-534-4584 or 602-534-9888

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*The Section 32 Homeownership Program is offered pursuant to plans, policies, and programs that may change at any time, without notice. The terms may change at any time. The presentation of properties on phoenix.gov and other marketing materials is a solicitation of interest in the program, and is not an offer to sell.*



## 2022 INCOME LIMITS - Effective April 18, 2022

Household Size	Low Income 80%	Very Low Income 50%	Extremely Low Income 30%*	Scattered Sites Admission 40%	Over-Income (120% AMI)
1 person	\$49,500	\$30,950	\$18,550	\$39,600	\$74,280
2 person	\$56,550	\$35,350	\$21,200	\$45,250	\$84,840
3 person	\$63,600	\$39,750	\$23,850	\$50,900	\$95,400
4 person	\$70,650	\$44,150	\$27,750	\$56,550	\$105,960
5 person	\$76,350	\$47,700	\$32,470	\$61,100	\$114,480
6 person	\$82,000	\$51,250	\$37,190	\$65,600	\$123,000
7 person	\$87,650	\$54,750	\$41,910	\$70,150	\$131,400
8 person	\$93,300	\$58,300	\$46,630	\$74,650	\$139,920

*For each person in excess of 8 persons, eight percent (8%) of the four-person base should be added to the eight-person limit. Figures should be rounded to the nearest \$50 unless they already end in "00" or "50".*



# Section 32 Homeownership Program

KEYS TO OPPORTUNITY | STABILITY | FREEDOM

## Eligibility Requirements for Section 32 Participants

### All Applicants must:

- be a first time homebuyer. A first time homebuyer is defined as:
  - » An individual who has not had ownership in a principal residence during the 3 year period ending on the date of purchase of the property.
  - » A single parent who has only owned with a former spouse while married.
  - » An individual who is a displaced homemaker and has only owned with a spouse.
- meet requirement that annual household income does not exceed 80% of Median Income. (See AMI Table on [phoenix.gov](http://phoenix.gov))
- pay a minimum of 3% of the purchase price as a down payment, of which 1% must be from purchaser's own funds.
  - » purchaser must demonstrate the availability and control over the full 3% in order to qualify.
  - » the borrower must demonstrate 1% of the contribution of the borrower's own personal funds. 2% may be contributed from grants, gifts, or down payment assistance programs. Buyer must demonstrate the award of such grants, gifts, or down payment assistance.
- qualify for a 15 to 30 year, fixed rate, amortizing conventional loan. No sub-prime loans allowed.
- obtain a letter of loan commitment.
- have a record of timely payments of rent and utilities.
- provide a favorable recommendation from current landlord.
- understand that all family members over 12 years of age must pass a criminal background check.
- agree to live in the home as his/her principal residence for a minimum of 5 years after closing.
- attend and complete required homeownership classes and pre-purchase counseling session.
- meet HUD affordability requirements (*mortgage principal and interest, plus insurance, real estate taxes, utilities, maintenance and other regular homeownership costs may not exceed 35% of adjusted gross family income*).

City of Phoenix Homeownership Coordinator, 602-534-4584 or 602-534-9888

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# Section 32 Homeownership Program

KEYS TO OPPORTUNITY | STABILITY | FREEDOM



## HUD Certified Housing Counseling Agencies

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**Chicanos Por La Causa**  
CPLC Housing Counseling Office  
1402 S. Central Ave. Bldg A  
Phoenix, AZ 85004  
[www.cplc.org](http://www.cplc.org)  
602-253-0838  
Hours: 8 a.m. to 5 p.m. M-F  
Check website for monthly classes

**Trellis (formerly Neighborhood Housing Services of Phoenix)**  
1405 E. McDowell Road, Suite 100  
Phoenix, AZ 85006  
[www.trellisaz.org](http://www.trellisaz.org)  
602-258-1659  
Hours: 8 a.m. to 5 p.m. M-F  
Check website for monthly classes

**Greater Phoenix Urban League**  
1402 S. Seventh Ave.  
Phoenix, AZ 85007  
[www.gphxul.org](http://www.gphxul.org)  
602-254-5611  
Hours: 8 a.m. to 5 p.m. M-F  
Check website for monthly classes

**Newtown Community Development Corp.**  
511 W. University Drive, Suite 4  
Tempe, AZ 85281  
[www.newtowncdc.org](http://www.newtowncdc.org)  
480-517-15890  
Hours: 8 a.m. to 5 p.m. M-F  
Check website for monthly classes

## Homeownership & Financial Education Classes

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**Catholic Charities Community Services**  
4747 N. Seventh Avenue  
Phoenix, AZ 85013  
[www.catholiccharitiesaz.org](http://www.catholiccharitiesaz.org)  
602.285.1999  
Check website or call for class schedule

**Trellis (formerly Neighborhood Housing Services of Phoenix)**  
(see information above)



## Section 32 Homeownership

### List of Documents Needed

- Application Form (Must be filled out in BLUE ink)

**DO NOT PRINT OR SUBMIT DOUBLE SIDE PAPERWORK**

- Agency Disclosure (Must work with arealtor unless current Scattered Sites Participant)

- P&L's for Private Business Owners

- 6 most recent pay stubs with year-to-date information for all jobs and for each borrower

- Federal tax returns for past 2 years (1040 and 140 forms)

- W-2s for the past two years

- Copy of credit report (Supplied by Lender)

- Favorable recommendation from landlord including 6 months of rental history and length of residency

- 3 consecutive months of bank statements to show savings for down payment

- PreQual from Lender. (MUST be signed/dated by Buyer on line 42)

- Any completed class certificates

- Color Copy of Birth Certificate for all occupants

- Color Copy of Driver License for all occupants

- Color Copy of Social Security Card for all occupants

# APPLICATION FOR SECTION 32 HOMEOWNERSHIP PROGRAM

<b>For office use only</b>	<b>Case #:</b>	<b>Case type:</b>	
<b>Applicant Information</b>		<b>Co-Applicant Information (if applicable)</b>	
Full name		Full name	
Soc. Security #	Birth date	Soc. Security #	Birth date
Home Address		Home Address	
City	ST Zip	Yrs. at address	City ST Zip Yrs. at address
Mailing Address		Mailing Address	
City	ST Zip	City ST Zip	
<b>Email Address:</b>		<b>Email Address:</b>	
Home Phone #	Cell Phone #	Home Phone #	Cell Phone #
Work Phone #	Ext.	Work Phone #	Ext.
Current Employer	Date hired	Current Employer	Date hired
Former Employer <i>(if less than 2 yrs at current address)</i>	Date hired	Former Employer <i>(if less than 2 yrs at current address)</i>	Date hired
Former Employer Address	Phone	Former Employer Address	Phone

GROSS MONTHLY INCOME (before taxes)	Applicant	Co-Applicant	Other occupants age 16 and over
Wages, salary, tips, etc.	\$	\$	\$
Business income			
Interest & dividend income			
Social Security			
Supp. Security Income (SSI)			
Retirement/pension/annuity			
Unemployment income			
Disability income			
Veteran's Administration			
Alimony/child support received			
Other:			
Other:			
<b>TOTAL gross monthly income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

ASSETS	Applicant	Co-Applicant	Other occupants (total)
Checking Account	Bank name	Bank name	Bank name
	Account #	Account #	Account #
	Avg. 6-mo. balance \$	Avg. 6-mo. balance \$	Avg. 6-mo. balance \$
Savings Account	Bank name	Bank name	Bank name
	Account #	Account #	Account #
	Current balance \$	Current balance \$	Current balance \$

**Home Occupant Information**

The City collects occupant information only so we may ensure that our programs benefit all Phoenix residents regardless of race, gender, physical ability or sexual orientation. This information will *not* affect your loan or grant eligibility in any way. For each occupant of the home, use the following code for race:

**Race codes**

- American Indian or Alaskan Native = 1
- Am. Indian or Alaskan Native *and* Black or African American = 2
- American Indian or Alaskan Native *and* White = 3
- Asian = 4
- Asian *and* White = 5
- Black or African American = 6
- Black or African American *and* White = 7
- Native Hawaiian or other Pacific Islander = 8
- Other multi-racial = 9
- White = 10

Please list all occupants of the home, including yourself:

Name <i>List yourself first</i>	Social Security Number	Relationship to you	Birth date	Race code from above	Hispanic heritage? Yes / No	Male or female	Disabled? Yes / No	Home-bound? Yes / No

1. Marital Status:  Married  Divorced  Legally Separated  Single  Widowed
2. Are you a resident of:  Public housing  Scattered sites  Section 8? How long? \_\_\_\_\_  N/A
3. Are you a first time home buyer?  Yes  No (For the purpose of the Section 32 Homeownership Program this means that no assisted family members has had an ownership interest in a home within the three (3) years preceding this purchase).
4. Are you employed by the City of Phoenix?  Yes  No  
If yes, department and title \_\_\_\_\_ Date hired \_\_\_\_\_
5. Do you have any relatives employed by the City of Phoenix?  Yes  No  
If yes, name and relationship \_\_\_\_\_
6. If you intend to have a co-borrower on your home loan, please complete the following:  
Co-Borrower Name \_\_\_\_\_ SS# \_\_\_\_\_

**Notice to Applicants**

This is notice to you as required by the Right to Financial Privacy Act of 1978, that the Housing Department, the City of Phoenix, and/or HUD have a right of access to financial records held by any financial institution in connection with the consideration or administration of the Section 32 Homeownership program of Phoenix, for which you have applied. Financial records involving your transaction will be available to the Housing Department without further notice or authorization but will not be disclosed or released to another government agency or department without your consent, except as required by law.

**Right to Financial Privacy Act Certificate**

The Housing Department certifies, in compliance with the Right to Financial Privacy Act of 1978, that in connection with this request for access to financial records, it is in compliance with the applicable provisions of said Act.

**Disclaimer**

The undersigned applicants hereby acknowledge that neither this application nor any discussion with any City employee regarding the Section 32 Homeownership Program constitutes a commitment by the City of Phoenix to sell a home or provide a grant or loan. The City of Phoenix may require the applicant to provide additional information and/or evidence of eligibility to participate in the Section 32 Homeownership Program.

Any person who knowingly makes a false statement or a misrepresentation in an application or in support of an application for federal financial assistance or causes such a false statement or misrepresentation to be made shall be subject to a fine or imprisonment or both, under provisions of the United States Criminal Code. By signing, you are attesting that all information is true and correct, and you understand that providing any false statements will also disqualify you from participating in the home ownership program.

**Consent to Obtain Information from Third Parties**

The undersigned applicants hereby consent to the City of Phoenix obtaining from third parties information in support of this application, including but not limited to a criminal background check, a credit report and other credit information, and references. The undersigned agree to sign additional consent forms as may be requested by such third parties to facilitate the release of such information.

**Certification and Authorization**

I understand that the information contained in this application is required to determine my eligibility. I certify that all of the information and answers to all of the questions are true and complete to the best of my knowledge. I understand that making false statements about the information contained in this application is grounds for rejection of the application. I authorize the City of Phoenix Housing Department to verify the information on the application and consent to the release of the information necessary to determine my eligibility. I hereby authorize any person, credit agency, or law enforcement agencies to release information to the City of Phoenix Housing Department or other agent contracted by the City of Phoenix Housing Department to conduct criminal, credit or rental history checks, and verify sources of income, school attendance, child care expenses and/or medical expenses for the purposes of determining my eligibility.

**Applicant Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Co-Applicant Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

For questions call: The Homeownership Team at 602-534-4584 and 602-534-9888  
[Homeownership@phoenix.gov](mailto:Homeownership@phoenix.gov)



City of Phoenix Housing Department  
**Conflict of Interest Disclosure Questionnaire**

PRINT NAME:

NAME of other individuals taking title (if applicable):

CONTACT Info: Address, Phone and Email:

PROGRAM:  Section 32

**APPLICABLE INDIVIDUALS 'COVERED PERSONS'**

1. Are you a City of Phoenix employee?  Yes  No
  - a. What Department do you work in? \_\_\_\_\_
  - b. What is your position? \_\_\_\_\_
  
2. Do you have a family member (parent, grandparent, child, grandchild, sibling, spouse, domestic partner, or the parent, grandparent, sibling, aunt, or uncle of a spouse or domestic partner) who is a City of Phoenix employee or a current Phoenix City Council member?
   
 Yes  No
  - a. Name of family member(s) \_\_\_\_\_
  - b. Relationship to you \_\_\_\_\_
  - c. What department do they work in? \_\_\_\_\_
  - d. What is their position? \_\_\_\_\_
  
3. Are you a sub recipient, contractor, agent, consultant, contractor or subcontractor of the City of Phoenix Housing Department?
   
 Yes  No
  - a. Name the Firm: \_\_\_\_\_
  - b. List the City Department and explain your relationship with the City \_\_\_\_\_

**(Housing Sub Recipients and Contractors** include but may not be limited to: Chicanos Por La Causa, Community Housing Resources of Arizona, Desert Mission Neighborhood Renewal, Greater Phoenix Urban League, Housing Our Communities, Inc, Labor's Community Service Agency, Neighborhood Housing Services of Phoenix, Newtown Community Development Corporation, NSPAZ, LLC or its members, Foundation for Senior Living, National Farm Workers Service Center, ROI Properties, Mandalay Communities, Cesar Chavez Foundation, U.S. Department of Housing and Urban Development, Pioneer Title Agency, Inc., Desert Eagle Appraisers, First Home Inspectors, LLC, Trellis Realty, LLC, St. Claire Senior Living DBA, Affordable Real Estate Advisors, and many general contractors and subcontractors working on various Housing projects)

4. Are you an employee, agent, consultant, officer, elected official, or appointed official of the City of Phoenix?  Yes  No
  - a. Who is your employer? \_\_\_\_\_
  - b. What is your position? \_\_\_\_\_
  - c. Explain your relationship with the Sub Recipient or Contractor or City \_\_\_\_\_
  
5. Do you, your employer, or your immediate family members have any **duties or responsibilities** associated with the **Section-32 or Section-8** programs or other federally funded programs that the City of Phoenix Housing Department administers?
   
 Yes  No
  - a. Name of person with potential conflict of interest: \_\_\_\_\_
  - b. Relationship to you: \_\_\_\_\_
  - c. Explain the duties and responsibilities: \_\_\_\_\_

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6. Do you, your employer, or your family members involved in **making decisions in association with** any of the City of Phoenix Housing Department's federally funded programs?  **Yes**  **No**

a. Name of person with potential conflict of interest: \_\_\_\_\_

b. Relationship to you: \_\_\_\_\_

c. Explain their association with the federally funded program: \_\_\_\_\_

7. Have you, your employer, or your family members gained or are you in a position to obtain **inside information** (information which was not obtain in the public domain) with regard to any of the City of Phoenix Housing Department's federally funded programs?  **Yes**  **No**

a. Name of person with potential conflict of interest: \_\_\_\_\_

b. Relationship to you: \_\_\_\_\_

c. Explain the insider information you have obtained: \_\_\_\_\_

8. Will you, your employer, or your family members obtain a financial benefit (see special note) in any City of Phoenix Housing Department federally funded activity?  **Yes**  **No**

a. Name of person with potential conflict of interest: \_\_\_\_\_

b. Relationship to you: \_\_\_\_\_

c. Explain the Financial Benefit (see below): \_\_\_\_\_

**Special Note:** Having a 'FINANCIAL BENEFIT' includes but is not limited to: being paid by a HUD-funded program as a staff person, contractor, or consultant, contractor.

9. Do you, your employer, or your family members have a **contract, subcontract, or agreement** with the City of Phoenix Housing Department?  **Yes**  **No**

a. Contractor's Name: \_\_\_\_\_

b. Which department is the contract with? \_\_\_\_\_

c. Contractor's relationship to you: \_\_\_\_\_

Please provide a description if you answered 'Yes' to any of the questions 1-9 above:

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*This information will be used to ensure compliance with U.S. Department of Housing and Urban Development eligibility requirements and Arizona conflict of interest laws (A.R.S. Sections 3-501 and following).. With your signature, you are certifying that the above information is true and correct to the best of your knowledge; falsifying information on this form is a federal offense. The penalty for making false statements is prescribed in the US Criminal Code 18 U.S.C. 1001.*

**Print Your Name(s):** \_\_\_\_\_

**Signature(s):** \_\_\_\_\_

## PROCEDURE FOR CONFLICT OF INTEREST DETERMINATION

- 1) All parties seeking to participate in or benefit from a Section 32 or other federally funded program administered through the City of Phoenix Housing Department will complete the Conflict of Interest Determination Questionnaire Form in full.
- 2) The Housing Department Section 32 Assistant Housing Supervisor, Housing Supervisor, Housing Manager, Management Assistant, Deputy Housing Director, and/or Housing Director or designee will review all conflicts of interest determination requests, the facts of each case and make a determination. The process may include obtaining further review and approval from the City Law Department, the Phoenix City Council and/or U.S. Department of Housing and Urban Development (“HUD”).
- 3) The determinations resulting from the review are as follows:
  - a. **Conflict of Interest Identified** – application to Section 32 Homeownership Program/Scattered Sites through the City of Phoenix is denied.
  - b. **No Conflict Identified**– ‘Covered person’ is far removed from the administration of the Section 32 Homeownership Program/Scattered Sites and the Housing Director or designee will approve the application and seek legal concurrence from the City’s Law Department.
  - c. **Conflict of Interest Identified, Exception Sought** – ‘Covered person’ is not far removed from the administration of the Section 32 Homeownership Program, a conflict of interest was identified, however it was not serious and should not preclude the covered person from participating in the Program. Housing Administration will seek legal concurrence from the City’s Law Department and will seek an exception to the regulation from HUD.

**Please make sure you printed your name, address, email address, and phone number on the top of Page one of this Conflict of Interest Form.**



**AFFIDAVIT**  
For First-time Homebuyer and Principle Residence

I/We, \_\_\_\_\_ and \_\_\_\_\_,

certify that the home purchased through the **City of Phoenix Housing Department Section 32 Homeownership Program**, will be my/our principle residence. I/We further certify that I am a/we are first time home buyer(s) and have not owned a home in the last three years.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

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City of Phoenix
AFFIDAVIT OF LAWFUL PRESENCE

Your completion of this form is required by Arizona state law. A.R.S. §§ 1-501 and -502.

I, \_\_\_\_\_ (print full name exactly as on document), hereby affirm, upon penalty of perjury, that I have made a true and accurate copy of the document checked below, that I have attached that copy to this Affidavit for purposes of mailing both documents to the City, that I am lawfully present in the United States, and that I am the person stated on the document. (Select one category only)

- Arizona driver license issued after 1996. Print first four numbers/letters from license: [ ] [ ] [ ] [ ]
Arizona non-operating identification license. Print first four numbers/letters: [ ] [ ] [ ] [ ]
Birth certificate or delayed birth certificate issued in any state, territory or possession of the U.S. Year of birth: \_\_\_\_\_; Place of birth: \_\_\_\_\_
United States Certificate of Birth Abroad. Year of birth: \_\_\_\_\_; Place of birth: \_\_\_\_\_
United States Passport. Print first four numbers/letters on Passport: [ ] [ ] [ ] [ ]
Foreign Passport with United States Visa. Print first four numbers/letters on Passport: [ ] [ ] [ ] [ ]
Print first four numbers/letters on Visa: [ ] [ ] [ ] [ ]
I-94 Form with a photograph. Print first four numbers on I-94: [ ] [ ] [ ] [ ]
USCIS Employment Authorization Document (EAD). Print first four numbers/letters on EAD: [ ] [ ] [ ] [ ]
or Perm. Resident Card (acceptable alternative): [ ] [ ] [ ] [ ]
Refugee Travel Document. Date of issuance: \_\_\_\_\_; Refugee country: \_\_\_\_\_
U.S. Certificate of Naturalization. Print first four digits of CIS Reg. No.: [ ] [ ] [ ] [ ]
U.S. Certificate of Citizenship. Date of issuance: \_\_\_\_\_; Place of issuance: \_\_\_\_\_
Tribal Certificate of Indian Blood. Date of issuance: \_\_\_\_\_; Name of tribe: \_\_\_\_\_
Tribal or Bureau of Indian Affairs Affidavit of Birth. Year of birth: \_\_\_\_\_; Place of birth: \_\_\_\_\_

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Table with 3 columns: Office Use Only, Employee Name, Ref. No.
Row 1: Office Use Only | Employee Name | Ref. No.
Row 2: Promptly report all observed violations of federal immigration law to: azicereport@dhs.gov
Row 3: [ ] Reported violation (check if applicable and attach copy of email to this form)

# Authorization for the Release of Information/ Privacy Act Notice

to the U.S. Department of Housing and Urban Development(HUD)  
and the Housing Agency/Authority (HA)

**U.S. Department of Housing  
And Urban Development**  
Office of Public and Indian Housing

PHA requesting release of information: **(Cross out space if none)**  
(Full address, name of contact person, and date)

City of Phoenix Housing  
Section 32 Program  
251 W. Washington Street  
Phoenix, Arizona 85003

Date: \_\_\_\_\_

IHA requesting release of information: **(Cross out space if none)**  
(Full address, name of contact person, and date)

**N/A**

**Authority:** Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, as amended by Section 903 of the Housing and Community Development Act of 1992 and Section 3003 of the Omnibus Budget Reconciliation Act of 1993. This law is found at 42 U.S.C. 3544.

This law requires that you sign a consent form authorizing: (1) HUD and the Housing Agency/Authority (HA) to request verification of salary and wages from current or previous employers; (2) HUD and the HA to request wage and unemployment compensation claim information from the state agency responsible for keeping that information; (3) HUD to request certain tax return information from the U.S. Social Security Administration and the U.S. Internal Revenue Service. The law also requires independent verification of income information. Therefore, HUD or the HA may request information from financial institutions to verify your eligibility and level of benefits.

**Purpose:** In signing this consent form, you are authorizing HUD and the above-named HA to request income information for the sources listed on the form. HUD and the HA need this information to verify your household's income, in order to ensure that you are eligible for assisted housing benefits and that these benefits are set at the correct level. HUD and the HA may participate in computer matching programs with these sources in order to verify your eligibility and level of benefits.

**Uses of Information to be Obtained:** HUD is required to protect the income information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes, to Federal agencies for employment suitability purposes and to HA's for the purpose of determining housing assistance. The HA is also required to protect the income information it obtains in accordance with any applicable State privacy law. HUD and HA employees may be subject to penalties for unauthorized disclosures or improper uses of the income information that is obtained based on the consent form.  
**Private owners may not request or receive information authorized by this form.**

**Who Must Sign the Consent Form:** Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult members joining the household or whenever members of the household become 18 years of age.

Persons who apply for or receive assistance under the following programs are required to sign this consent form:

- PHA-owned rental public housing
- Turnkey III Homeownership Opportunities
- Mutual Help Homeownership Opportunity
- Section 23 and 19(c) leased housing
- Section 23 Housing Assistance Payments
- HA-owned rental Indian Housing
- Section 8 Rental Certificate
- Section 8 Rental Voucher
- Section 8 Moderate Rehabilitation

**Failure to Sign Consent Form:** Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the HA's grievance procedures and Section 8 informal hearing procedures.

### Source of Information To Be Obtained

State Wage Information Collection Agencies. (This consent is limited to wages and unemployment compensation I have received during period(s) within the last 5 years when I have received assisted housing benefits.)

U.S. Social Security Administration (HUD only) (This consent is limited to the wage and self employment information and payments of retirement income as referenced at Section 6103(I)(7)(A) of the Internal Revenue Code.)

U.S. Internal Revenue Service (HUD only) (This consent is limited to unearned income [i.e., interest and dividends].)

Information may also be obtained directly from: (a) current and former employers concerning salary and wages and (b) financial institutions concerning unearned income (i.e., interest and dividends). I understand that income information obtained from these sources will be used to verify information that I provide in determining eligibility for assisted housing programs and the level of benefits. Therefore, this consent form only authorizes the release directly from employers and financial institutions of information regarding any period(s) within the last 5 years when I have received assisted housing benefits.

**Consent: I consent to allow HUD or the HA to request and obtain income information from the sources listed on this form for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that HA's that receive income information under this consent form cannot use it to deny, reduce or terminate assistance without first independently verifying what the amount was, whether I actually had access to the funds and when the funds were received. In addition, I must be given an opportunity to contest those determinations.**

This consent form expires 15 months after signed.

Signatures:

_____	_____		
Head of Household	Date		
_____		_____	_____
Social Security Number (if any) of Head of Household		Other Family Member over age 18	Date
_____	_____	_____	_____
Spouse	Date	Other Family Member over age 18	Date
_____	_____	_____	_____
Other Family Member over age 18	Date	Other Family Member over age 18	Date
_____	_____	_____	_____
Other Family Member over age 18	Date	Other Family Member over age 18	Date

**Privacy Act Notice.** Authority: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and by the Fair Housing Act (42 U.S.C. 3601-19). The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and participants to submit the Social Security Number of each household member who is six years old or older. Purpose: Your income and other information are being collected by HUD to determine your eligibility, the appropriate bedroom size, and the amount your family will pay toward rent and utilities. Other Uses: HUD uses your family income and other information to assist in managing and monitoring HUD-assisted housing programs, to protect the Government's financial interest, and to verify the accuracy of the information you provide. This information may be released to appropriate Federal, State, and local agencies, when relevant, and to civil, criminal, or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Penalty: You must provide all of the information requested by the HA, including all Social Security Numbers you, and all other household members age six years and older, have and use. Giving the Social Security Numbers of all household members six years of age and older is mandatory, and not providing the Social Security Numbers will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

**Penalties for Misusing this Consent:**

HUD, the HA and any owner (or any employee of HUD, the HA or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form.

Use of the information collected based on the form HUD 9886 is restricted to the purposes cited on the form HUD 9886. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000.

Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the HA or the owner responsible for the unauthorized disclosure or improper use.



# City of Phoenix

## Add-on Screening Information

Have you ever participated in **any** housing assistance program? Yes  No

If Yes, When \_\_\_\_\_ Where \_\_\_\_\_ Reason \_\_\_\_\_

Do you owe any money to The City of Phoenix Housing Department or any other HUD Subsidized Housing program? Yes  No

Have you ever been evicted from a government subsidized unit? Yes  No

If Yes, When \_\_\_\_\_ Where \_\_\_\_\_ Reason \_\_\_\_\_

**BACKGROUND INFORMATION**

Have you ever been convicted of a Felony? \*Yes  No   
Do you have a public or criminal record (include misdemeanors )? \*Yes  No   
Are you currently on or ever sentenced to Probation or Parole? \*Yes  No  Date Released \_\_\_\_\_

\*If yes, please explain (required): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Are you a Registered Sex Offender or ever been required to register as a Sex Offender? Yes \* No   
\*If yes, please explain(required): \_\_\_\_\_  
\_\_\_\_\_

\*All questions must be answered completely. If any are left blank your application will not be processed.\*

I agree to any or all of the following as required to complete the process to be added to an existing lease or application:

- A criminal background check
- A debt check (for previous housing debts)
- A credit check (for public housing only)

To the best of my knowledge and belief, all information is accurate and complete. I understand that false statements or information is punishable under federal and state law and that such action is grounds for denial to participate in any City of Phoenix Housing programs.

\_\_\_\_\_  
Adult Member (Print Name) (Date)

\_\_\_\_\_  
Adult Member (Print Name) (Date)

This must be submitted with the Screening Report Request Form.



Section 32 Homeownership Program

## Questionnaire

Are you working with a Realtor? If so, please provide the following:

Realtor's Name: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Company Name: \_\_\_\_\_

**Have you identified a property address that you would like to apply for? If so, please list the property address below:**

\_\_\_\_\_

What certified counseling agency did you attend or will be attending?

\_\_\_\_\_

What day did you attend counseling or what date will you be attending?

\_\_\_\_\_

What counselor did you see or what counselor will you see?

\_\_\_\_\_

How was the class taken in person or online? Or how will it be taken?

\_\_\_\_\_



## INFORMATION AUTHORIZATION FORM

### Information Authorization

I authorize the City of Phoenix Housing Department to request and obtain all information, including a credit report, necessary for the processing of my scattered site homeownership application. I understand that all information obtained will be held in confidence and used for no other purpose by the City.

### Signature(s)

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Co-applicant \_\_\_\_\_

Date \_\_\_\_\_

AFF IDAVIT

I, \_\_\_\_\_, acknowledge I have received a copy of the HUD prescribed informational booklet “Buying Your Home, Settlement Cost and Helpful Information” HUD 398- H(4), provided by the U. S. Department of Housing and Urban Development Office of Housing-Federal Housing Administration.

\_\_\_\_\_  
Name:

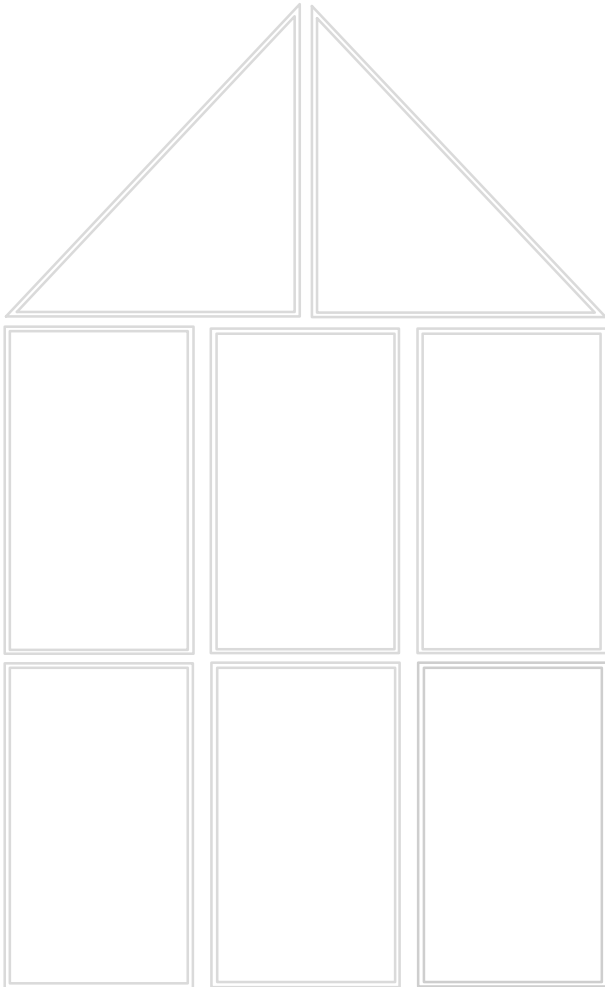
Date:\_\_\_\_\_



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# BUYING YOUR HOME

## Settlement Costs and Helpful Information



U.S. Department of Housing and Urban Development  
Office of Housing - Federal Housing Administration

June 1997

HUD-398-H(4)

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## I. Introduction

**C**ongratulations! You have decided to buy a new home. This booklet will help you take this big financial step by describing the home buying, home financing, and settlement process. Lenders and mortgage brokers are required by federal law, the Real Estate Settlement Procedures Act (“RESPA”), to give you this booklet. You should receive it when applying for a loan, or within three business days afterwards. Real estate brokers frequently hand out this booklet as well.

You probably started the home buying process in one of two ways: you saw a home you were interested in buying or you consulted a lender to figure out how much money you could borrow before you found a home (sometimes called pre-qualifying). The next step is to sign an agreement of sale with the seller, followed by applying for a loan to purchase your new home. The final step is called “settlement” or “closing,” where the legal title to the property is transferred to you.

At each of these steps you often have the opportunity to negotiate the terms, conditions and costs to your advantage. This booklet will highlight such opportunities. You will also need to shop carefully to get the best value for your money. There is no standard home buying process used in all localities. Your actual experience may vary from those described here. This booklet takes you through the general steps to buying a home, to eliminate, as much as possible, the mysteries of the settlement process.

## II. BUYING AND FINANCING A HOME

### A. Role of the Real Estate Broker

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**F**requently, the first person you consult about buying a home is a real estate agent or broker. Although real estate brokers provide helpful advice on many aspects of home buying, **they may serve the interests of the seller, and not your interests as the buyer.** The most common practice is for the seller to hire the broker to find someone who will be willing to buy the home on terms and conditions that are acceptable to the seller. Therefore, the real estate broker you are dealing with may also represent the seller. However, you can hire your own real estate broker, known as a buyer's broker, to represent your interests. Also, in some states, agents and brokers are allowed to represent both buyer and seller.

Even if the real estate broker represents the seller, state real estate licensing laws usually require that the broker treat you fairly. If you have any questions concerning the behavior of an agent or broker, you should contact your State's Real Estate Commission or licensing department.

Sometimes, the real estate broker will offer to help you obtain a mortgage loan. He or she may also recommend that you deal with a particular lender, title company, attorney or settlement/closing agent. You are not required to follow the real estate broker's recommendation. You should compare the costs and services offered by other providers with those recommended by the real estate broker.

### B. Selecting an Attorney

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**B**efore you sign an agreement of sale, you might consider asking an attorney to look it over and tell you if it protects your interests. If you have already signed your agreement of sale, you might still consider having an attorney review it. An attorney can also help you prepare for the settlement. In some areas attorneys act as settlement/closing agents or as escrow agents to handle the settlement. **An attorney who does this will not solely represent your interests, since, as settlement/closing agent, he or she may also be representing the seller, the lender and others as well.**

Please note, in many areas of the country attorneys are not normally involved in the home sale. For example, escrow agents or escrow companies in western states handle the paperwork to transfer title without any attorney involvement.

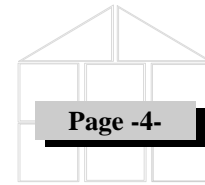
If choosing an attorney, you should shop around and ask what services will be performed for what fee. Find out whether the attorney is experienced in representing home buyers. You may wish to ask the attorney questions such as:

- ❖ What is the charge for negotiating the agreement of sale, reviewing documents and giving advice concerning those documents, for being present at the settlement, or for reviewing instructions to the escrow agent or company?
- ❖ Will the attorney represent anyone other than you in the transaction?
- ❖ Will the attorney be paid by anyone other than you in the transaction?

### C. Terms of the Agreement of Sale

If you receive this Booklet before you sign an agreement of sale, here are some important points to consider. The real estate broker probably will give you a preprinted form of agreement of sale. You may make changes or additions to the form agreement, but the seller must agree to every change you make. You should also agree with the seller on when you will move in and what appliances and personal property will be sold with the home.

- ❖ Sales Price. For most home purchasers, the sales price is the most important term. Recognize that other non-monetary terms of the agreement are also important.
- ❖ Title. "Title" refers to the legal ownership of your new home. The seller should provide title, free and clear of all claims by others against your new home. Claims by others against your new home are sometimes known as "liens" or "encumbrances." You may negotiate who will pay for the title search which will tell you whether the title is "clear."
- ❖ Mortgage Clause. The agreement of sale should provide that your deposit will be refunded if the sale has to be canceled because you are unable to get a mortgage loan. For example, your agreement of sale could allow the purchase to be canceled if you cannot obtain mortgage financing at an interest rate at or below a rate you specify in the agreement.
- ❖ Pests. Your lender will require a certificate from a qualified inspector stating that the home is free from termites and other pests and pest damage. You may want to reserve



the right to cancel the agreement or seek immediate treatment and repairs by the seller if pest damage is found.

- ❖ Home Inspection. It is a good idea to have the home inspected. An inspection should determine the condition of the plumbing, heating, cooling and electrical systems. The structure should also be examined to assure it is sound and to determine the condition of the roof, siding, windows and doors. The lot should be graded away from the house so that water does not drain toward the house and into the basement.

Most buyers prefer to pay for these inspections so that the inspector is working for them, not the seller. You may wish to include in your agreement of sale the right to cancel, if you are not satisfied with the inspection results. In that case, you may want to re-negotiate for a lower sale price or require the seller to make repairs.

- ❖ Lead-Based Paint Hazards in Housing Built Before 1978. If you buy a home built before 1978, you have certain rights concerning lead-based paint and lead poisoning hazards. The seller or sales agent must give you the EPA pamphlet “Protect Your Family From Lead in Your Home” or other EPA-approved lead hazard information. The seller or sales agent must tell you what the seller actually knows about the home’s lead-based paint or lead-based paint hazards and give you any relevant records or reports.

You have at least ten (10) days to do an inspection or risk assessment for lead-based paint or lead-based paint hazards. However, to have the right to cancel the sale based on the results of an inspection or risk assessment, you will need to negotiate this condition with the seller.

Finally, the seller must attach a disclosure form to the agreement of sale which will include a Lead Warning Statement. You, the seller, and the sales agent will sign an acknowledgment that these notification requirements have been satisfied.

- ❖ Other Environmental Concerns. Your city or state may have laws requiring buyers or sellers to test for environmental hazards such as leaking underground oil tanks, the presence of radon or asbestos, lead water pipes, and other such hazards, and to take the steps to clean-up any such hazards. You may negotiate who will pay for the costs of any required testing and/or clean-up.

- ❖ Sharing of Expenses. You need to agree with the seller about how expenses related to the property such as taxes, water and sewer charges, condominium fees, and utility

bills, are to be divided on the date of settlement. Unless you agree otherwise, you should only be responsible for the portion of these expenses owed after the date of sale.

- ❖ Settlement Agent/Escrow Agent or Company. Depending on local practices, you may have an option to select the settlement agent or escrow agent or company. For states where an escrow agent or company will handle the settlement, the buyer, seller and lender will provide instructions.
- ❖ Settlement Costs. You can negotiate which settlement costs you will pay and which will be paid by the seller.

## D. Shopping For a Loan

**Y**our choice of lender and type of loan will influence not only your settlement costs, but also the monthly cost of your mortgage loan. There are many types of lenders and types of loans you can choose. You may be familiar with banks, savings associations, mortgage companies and credit unions, many of which provide home mortgage loans. You may find a listing of some mortgage lenders in the yellow pages or a listing of rates in your local newspaper.

Mortgage Brokers. Some companies, known as “mortgage brokers” offer to find you a mortgage lender willing to make you a loan. **A mortgage broker may operate as an independent business and may not be operating as your “agent” or representative.** Your mortgage broker may be paid by the lender, you as the borrower, or both. You may wish to ask about the fees that the mortgage broker will receive for its services.

Government Programs. You may be eligible for a loan insured through the Federal Housing Administration (“FHA”) or guaranteed by the Department of Veterans Affairs or similar programs operated by cities or states. These programs usually require a smaller downpayment. Ask lenders about these programs. You can get more information about these programs from the agencies that run them. (See Appendix to this Booklet.)

CLOs. Computer loan origination systems, or CLOs, are computer terminals sometimes available in real estate offices or other locations to help you sort through the various types of loans offered by different lenders. The CLO operator may charge a fee for the services the CLO offers. This fee may be paid by you or by the lender that you select.

Types of Loans. Loans can have a fixed interest rate or a variable interest rate. Fixed rate loans have the same principal and interest payments during the loan term. Variable rate loans can have any one of a number of “indexes” and “margins” which determine how and when the rate and payment amount change. If you apply for a variable rate loan, also known as an adjustable rate mortgage (“ARM”), a disclosure and booklet required by the Truth in Lending Act will further describe the ARM. Most loans can be repaid over a term of 30 years or less. Most loans have equal monthly payments. The amounts can change from time to time on an ARM depending on changes in the interest rate. Some loans have short terms and a large final payment called a “balloon.” You should shop for the type of home mortgage loan terms that best suit your needs.

Interest Rate, “Points” & Other Fees. Often the price of a home mortgage loan is stated in terms of an interest rate, points, and other fees. A “point” is a fee that equals 1 percent of the loan amount. Points are usually paid to the lender, mortgage broker, or both, at the settlement or upon the completion of the escrow. Often, you can pay fewer points in exchange for a higher interest rate or more points for a lower rate. Ask your lender or mortgage broker about points and other fees.

A document called the Truth in Lending Disclosure Statement will show you the “Annual Percentage Rate” (“APR”) and other payment information for the loan you have applied for. The APR takes into account not only the interest rate, but also the points, mortgage broker fees and certain other fees that you have to pay. Ask for the APR before you apply to help you shop for the loan that is best for you. Also ask if your loan will have a charge or a fee for paying all or part of the loan before payment is due (“prepayment penalty”). You may be able to negotiate the terms of the prepayment penalty.

Lender-Required Settlement Costs. Your lender may require you to obtain certain settlement services, such as a new survey, mortgage insurance or title insurance. It may also order and charge you for other settlement-related services, such as the appraisal or credit report. A lender may also charge other fees, such as fees for loan processing, document preparation, underwriting, flood certification or an application fee. You may wish to ask for an estimate of fees and settlement costs before choosing a lender. Some lenders offer “no cost” or “no point” loans but normally cover these fees or costs by charging a higher interest rate.

Comparing Loan Costs. Comparing APRs may be an effective way to shop for a loan. However, you must compare similar loan products for the same loan amount. For example, compare two 30-year fixed rate loans for \$100,000. Loan A with an APR of 8.35% is less costly than Loan B with an APR of 8.65% over the loan term. However, before you decide on a loan, you should consider the up-front cash you will be required to pay for each of the two loans as well.

Another effective shopping technique is to compare identical loans with different up-front points and other fees. For example, if you are offered two 30-year fixed rate loans for \$100,000 and at 8%, the monthly payments are the same, but the up-front costs are different:



Loan A - 2 points (\$2,000) and lender required costs of \$1800 = \$3800 in costs.

Loan B - 2 1/4 points (\$2250) and lender required costs of \$1200 = \$3450 in costs.

A comparison of the up-front costs shows Loan B requires \$350 less in up-front cash than Loan A. However, your individual situation (how long you plan to stay in your house) and your tax situation (points can usually be deducted for the tax year that you purchase a house) may affect your choice of loans.

Lock-ins. “Locking in” your rate or points at the time of application or during the processing of your loan will keep the rate and/or points from changing until settlement or closing of the escrow process. Ask your lender if there is a fee to lock-in the rate and whether the fee reduces the amount you have to pay for points. Find out how long the lock-in is good, what happens if it expires, and whether the lock-in fee is refundable if your application is rejected.

Tax and Insurance Payments. Your monthly mortgage payment will be used to repay the money you borrowed plus interest. Part of your monthly payment may be deposited into an “escrow account” (also known as a “reserve” or “impound” account) so your lender or servicer can pay your real estate taxes, property insurance, mortgage insurance and/or flood insurance. **Ask your lender or mortgage broker if you will be required to set up an escrow or impound account for taxes and insurance payments.**

Transfer of Your Loan. While you may start the loan process with a lender or mortgage broker, you could find that after settlement another company may be collecting the payments on your loan. Collecting loan payments is often known as “servicing” the loan. Your lender or broker will disclose whether it expects to service your loan or to transfer the servicing to someone else.

Mortgage Insurance. Private mortgage insurance and government mortgage insurance protect the lender against default and enable the lender to make a loan which the lender considers a higher risk. Lenders often require mortgage insurance for loans where the downpayment is less than 20% of the sales price. You may be billed monthly, annually, by an initial lump sum, or some combination of these practices for your mortgage insurance premium. Ask your lender if mortgage insurance is required and how much it will cost. Mortgage insurance should not be confused with mortgage life, credit life or disability insurance, which are designed to pay off a mortgage in the event of the borrower’s death or disability.

You may also be offered “lender paid” mortgage insurance (“LPMI”). Under LPMI plans, the lender purchases the mortgage insurance and pays the premiums to the insurer. The lender will increase your interest rate to pay for the premiums -- but LPMI may reduce your settlement costs. You cannot cancel LPMI or government mortgage insurance during the life of your loan. However, it

may be possible to cancel private mortgage insurance at some point, such as when your loan balance is reduced to a certain amount. Before you commit to paying for mortgage insurance, find out the specific requirements for cancellation.

Flood Hazard Areas. Most lenders will not lend you money to buy a home in a flood hazard area unless you pay for flood insurance. Some government loan programs will not allow you to purchase a home that is located in a flood hazard area. Your lender may charge you a fee to check for flood hazards. You should be notified if flood insurance is required. If a change in flood insurance maps brings your home within a flood hazard area after your loan is made, your lender or servicer may require you to buy flood insurance at that time.

## E. Selecting a Settlement Agent

Settlement practices vary from locality to locality, and even within the same county or city. Settlements may be conducted by lenders, title insurance companies, escrow companies, real estate brokers or attorneys for the buyer or seller. You may save money by shopping for the settlement agent.

In some parts of the country (particularly western states), settlement may be conducted by an escrow agent. The parties sign an escrow agreement which requires them to provide certain documents and funds to the agent. Unlike other types of settlement, the parties do not meet around a table to sign documents. Ask how your settlement will be handled.

## F. Securing Title Services

Title insurance is usually required by the lender to protect the lender against loss resulting from claims by others against your new home. In some states, attorneys offer title insurance as part of their services in examining title and providing a title opinion. The attorney's fee may include the title insurance premium. In other states, a title insurance company or title agent directly provides the title insurance.

Owner's Policy. A lender's title insurance policy **does not protect you**. Similarly, the prior owner's policy does not protect you. If you want to protect yourself from claims by others against your new home, you will need an owner's policy. When a claim does occur, it can be financially

devastating to an owner who is uninsured. If you buy an owner's policy, it is usually much less expensive if you buy it at the same time and with the same insurer as the lender's policy.

Choice of Title Insurer. Under RESPA, the seller may not require you, as a condition of the sale, to purchase title insurance from any particular title company. Generally, your lender will require title insurance from a company that is acceptable to it. In most cases you can shop for and choose a company that meets the lender's standards.

Review Initial Title Report. In many areas, a few days or weeks before the settlement or closing of the escrow, the title insurance company will issue a "Commitment to Insure" or preliminary report or "binder" containing a summary of any defects in title which have been identified by the title search, as well as any exceptions from the title insurance policy's coverage. The commitment is usually sent to the lender for use until the title insurance policy is issued at or after the settlement. You can arrange to have a copy sent to you (or to your attorney) so that you can object if there are matters affecting the title which you did not agree to accept when you signed the agreement of sale.

Coverage & Cost Savings. To save money on title insurance, compare rates among various title insurance companies. Ask what services and limitations on coverage are provided under each policy so that you can decide whether coverage purchased at a higher rate may be better for your needs. However, in many states, title insurance premium rates are established by the state and may not be negotiable. If you are buying a home which has changed hands within the last several years, ask your title company about a "reissue rate," which would be cheaper. If you are buying a newly constructed home, make certain your title insurance covers claims by contractors. These claims are known as "mechanics' liens" in some parts of the country.

Survey. Lenders or title insurance companies often require a survey to mark the boundaries of the property. A survey is a drawing of the property showing the perimeter boundaries and marking the location of the house and other improvements. You may be able to avoid the cost of a complete survey if you can locate the person who previously surveyed the property and request an update. Check with your lender or title insurance company on whether an updated survey is acceptable.

## G. RESPA Disclosures

One of the purposes of RESPA is to help consumers become better shoppers for settlement services. RESPA requires that borrowers receive disclosures at various times. Some disclosures spell

out the costs associated with the settlement, outline lender servicing and escrow account practices and describe business relationships between settlement service providers.

Good Faith Estimate of Settlement Costs. RESPA requires that, when you apply for a loan, the lender or mortgage broker give you a Good Faith Estimate of settlement service charges you will likely have to pay. If you do not get this Good Faith Estimate when you apply, the lender or mortgage broker must mail or deliver it to you within the next three business days.

Be aware that the amounts listed on the Good Faith Estimate are only estimates. Actual costs may vary. Changing market conditions can affect prices. Remember that the lender's estimate is not a guarantee. **Keep your Good Faith Estimate so you can compare it with the final settlement costs and ask the lender questions about any changes.**

Servicing Disclosure Statement. RESPA requires the lender or mortgage broker to tell you in writing, when you apply for a loan or within the next three business days, whether it expects that someone else will be servicing your loan (collecting your payments).

Affiliated Business Arrangements. Sometimes, several businesses that offer settlement services are owned or controlled by a common corporate parent. These businesses are known as “affiliates.” When a lender, real estate broker, or other participant in your settlement refers you to an affiliate for a settlement service (such as when a real estate broker refers you to a mortgage broker affiliate), RESPA requires the referring party to give you an Affiliated Business Arrangement Disclosure. This form will remind you that you are generally not required, with certain exceptions, to use the affiliate and are free to shop for other providers.

HUD-1 Settlement Statement. One business day before the settlement, you have the right to inspect the HUD-1 Settlement Statement. This statement itemizes the services provided to you and the fees charged to you. This form is filled out by the settlement agent who will conduct the settlement. Be sure you have the name, address, and telephone number of the settlement agent if you wish to inspect this form. The fully completed HUD-1 Settlement Statement generally must be delivered or mailed to you at or before the settlement. In cases where there is no settlement meeting, the escrow agent will mail you the HUD-1 after settlement, and you have no right to inspect it one day before settlement.

Escrow Account Operation & Disclosures. Your lender may require you to establish an escrow or impound account to insure that your taxes and insurance premiums are paid on time. If so, you will probably have to pay an initial amount at the settlement to start the account and an additional amount with each month’s regular payment. Your escrow account payments may include a “cushion” or an extra amount to ensure that the lender has enough money to make the payments when due. RESPA limits the amount of the cushion to a maximum of two months of escrow payments.

At the settlement or within the next 45 days, the person servicing your loan must give you an initial escrow account statement. That form will show all of the payments which are expected to be deposited into the escrow account and all of the disbursements which are expected to be made from the escrow account during the year ahead. Your lender or servicer will review the escrow account annually and send you a disclosure each year which shows the prior year's activity and any adjustments necessary in the escrow payments that you will make in the forthcoming year.

## H. Processing Your Loan Application

**T**here are several federal laws which provide you with protection during the processing of your loan. The Equal Credit Opportunity Act ("ECOA"), the Fair Housing Act, and the Fair Credit Reporting Act ("FCRA") prohibit discrimination and provide you with the right to certain credit information.

No Discrimination. ECOA prohibits lenders from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, the fact that all or part of the applicant's income comes from any public assistance program, or the fact that the applicant has exercised any right under any federal consumer credit protection law. To help government agencies monitor ECOA compliance, your lender or mortgage broker must request certain information regarding your race, sex, marital status and age when taking your loan application.

The Fair Housing Act also prohibits discrimination in residential real estate transactions on the basis of race, color, religion, sex, handicap, familial status or national origin. This prohibition applies to both the sale of a home to you and the decision by a lender to give you a loan to help pay for that home. Finally, your locality or state may also have a law which prohibits discrimination.

Frequently, there are differences in the types and amounts of settlement costs charged to the borrower -- for example, some borrowers are charged greater fees for mortgages depending on their credit worthiness. These differences may be justified or they may be unlawfully discriminatory. It is important that you examine your settlement documents closely, especially lines 808-811 on the HUD-1 settlement statement, and do not hesitate to compare your settlement costs with those of your friends and neighbors.

If you feel you have been discriminated against by a lender or anyone else in the home buying process, you may file a private legal action against that person or complain to a state, local or federal administrative agency. You may want to talk to an attorney; or you may want to ask the federal agency

that enforces ECOA (the Board of Governors of the Federal Reserve System) or the Fair Housing Act (HUD) about your rights under these laws.

Prompt Action/Notification of Action Taken. Your lender or mortgage broker must act on your application and inform you of the action taken no later than 30 days after it receives your completed application. Your application will not be considered complete, and the 30 day period will not begin, until you provide to your lender or mortgage broker all of the material and information requested.

Statement of Reasons for Denial. If your application is denied, ECOA requires your lender or mortgage broker to give you a statement of the specific reasons why it denied your application or tell you how you can obtain such a statement. The notice will also tell you which federal agency to contact if you think the lender or mortgage broker has illegally discriminated against you.

Obtaining Your Credit Report. The Fair Credit Reporting Act (“FCRA”) requires a lender or mortgage broker that denies your loan application to tell you whether it based its decision on information contained in your credit report. If that information was a reason for the denial, the notice will tell you where you can get a free copy of the credit report. You have the right to dispute the accuracy or completeness of any information in your credit report. If you dispute any information, the credit reporting agency that prepared the report must investigate free of charge and notify you of the results of the investigation.

Obtaining Your Appraisal. The lender needs to know if the value of your home is enough to secure the loan. To get this information, the lender typically hires an appraiser, who gives a professional opinion about the value of your home. ECOA requires your lender or mortgage broker to tell you that you have a right to get a copy of the appraisal report. The notice will also tell you how and when you can ask for a copy.

## I. RESPA Protection Against Illegal Referral Fees

**R**ESPA was enacted because Congress felt that consumers needed protection from "...unnecessarily high settlement charges caused by certain abusive practices that have developed in some areas of the country." Some of the practices Congress was concerned about are discussed below. Most professionals in the settlement business provide good service and do not engage in these practices.

Prohibited Fees. It is illegal under RESPA for anyone to pay or receive a fee, kickback or anything of value because they agree to refer settlement service business to a particular person or

organization. For example, your mortgage lender may not pay your real estate broker \$250 for referring you to the lender. It is also illegal for anyone to accept a fee or part of a fee for services if that person has not actually performed settlement services for the fee. For example, a lender may not add to a third party's fee, such as an appraisal fee, and keep the difference.

Permitted Payments. RESPA does not prevent title companies, mortgage brokers, appraisers, attorneys, settlement/closing agents and others, who actually perform a service in connection with the mortgage loan or the settlement, from being paid for the reasonable value of their work. If a participant in your settlement appears to be taking a fee without having done any work, you should advise that person or company of the RESPA referral fee prohibitions. You may also speak with your attorney or complain to a regulator listed in the Appendix to this Booklet.

Penalties. It is a crime for someone to pay or receive an illegal referral fee. The penalty can be a fine, imprisonment or both. You may be entitled to recover three times the amount of the charge for any settlement service by bringing a private lawsuit. If you are successful, the court may also award you court costs and your attorney's fees.

## J. Your Right to File Complaints

Private Lawsuits. If you have a problem, the best place to have it fixed is at its source (the lender, settlement agent, broker, etc.). If that approach fails and you think you have suffered because of a violation of RESPA, ECOA or any other law, you may be entitled to sue in a federal or state court. This is a matter you should discuss with your attorney.

Government Agencies. Most settlement service providers are supervised by a governmental agency at the local, state and/or federal level, some of which are listed in the Appendix to this Booklet. Your state's Attorney General may have a consumer affairs division. If you feel that a provider of settlement services has violated RESPA or any other law, you can complain to that agency or association. You may also send a copy of your complaint to the HUD Office of Consumer & Regulatory Affairs. The address is listed in the Appendix.

Servicing Errors. If you have a question any time during the life of your loan, RESPA requires the company collecting your loan payments (your "servicer") to respond to you. Write to your servicer and call it a "qualified written request under Section 6 of RESPA." A "qualified written request" should be a separate letter and not mailed with the payment coupon. Describe the problem and include your name and account number. The servicer must investigate and make appropriate corrections within 60 business days.

### III. YOUR SETTLEMENT COSTS

#### A. Specific Settlement Costs

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This part of the Booklet discusses the settlement services which you may be required to get and pay for and which are itemized in Section L of the HUD-1 Settlement Statement. You also will find a sample of the HUD-1 form to help you to understand the settlement transaction.

When shopping for settlement services, you can use this section as a guide, noting on it the possible services required by various lenders and the different fees quoted by service providers. Settlement costs can increase the cost of your loan, so compare carefully.

700. Sales/Broker's Commission: This is the total dollar amount of the real estate broker's sales commission, which is usually paid by the seller. This commission is typically a percentage of the selling price of the home.

L. SETTLEMENT CHARGES				
700. <b>TOTAL SALES/BROKER'S COMMISSION based on price \$</b>	@	%=	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
<i>Division of Commission (line 700) as follows:</i>				
701. \$	to			
702. \$	to			
703. Commission paid at Settlement				
704.				

800. Items Payable in Connection with Loan: These are the fees that lenders charge to process, approve and make the mortgage loan:

801. Loan Origination: This fee is usually known as a loan origination fee but sometimes is called a "point" or "points." It covers the lender's administrative costs in processing the loan. Often expressed as a percentage of the loan, the fee will vary among lenders. Generally, the buyer pays the fee, unless otherwise negotiated.

802. Loan Discount: Also often called "points" or "discount points," a loan discount is a one-time charge imposed by the lender or broker to lower the rate at which the lender or broker would



otherwise offer the loan to you. Each "point" is equal to one percent of the mortgage amount. For example, if a lender charges two points on a \$80,000 loan this amounts to a charge of \$1,600.

803. Appraisal Fee: This charge pays for an appraisal report made by an appraiser.

804. Credit Report Fee: This fee covers the cost of a credit report, which shows your credit history. The lender uses the information in a credit report to help decide whether or not to approve your loan and how much money to lend you.

805. Lender's Inspection Fee: This charge covers inspections, often of newly constructed housing, made by employees of your lender or by an outside inspector. (Pest or other inspections made by companies other than the lender are discussed in line 1302.)

806. Mortgage Insurance Application Fee: This fee covers the processing of an application for mortgage insurance.

807. Assumption Fee: This is a fee which is charged when a buyer "assumes" or takes over the duty to pay the seller's existing mortgage loan.

808. Mortgage Broker Fee: Fees paid to mortgage brokers would be listed here. A CLO fee would also be listed here.

800. ITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan Origination Fee	%	
802. Loan Discount	%	
803. Appraisal Fee	to	
804. Credit Report	to	
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. Mortgage Broker Fee		
809.		
810.		
811.		

900. Items Required by Lender to Be Paid in Advance: You may be required to prepay certain items at the time of settlement, such as accrued interest, mortgage insurance premiums and hazard insurance premiums.

901. Interest: Lenders usually require borrowers to pay the interest that accrues from the date of settlement to the first monthly payment.

902. Mortgage Insurance Premium: The lender may require you to pay your first year's mortgage insurance premium or a lump sum premium that covers the life of the loan, in advance, at the settlement.

903. Hazard Insurance Premium: Hazard insurance protects you and the lender against loss due to fire, windstorm, and natural hazards. Lenders often require the borrower to bring to the settlement a paid-up first year's policy or to pay for the first year's premium at settlement.

904. Flood Insurance: If the lender requires flood insurance, it is usually listed here.

900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest from	to	@ \$	/day
902. Mortgage Insurance Premium for		months to	
903. Hazard Insurance Premium for		years to	
904.		years to	
905.			

1000 - 1008. Escrow Account Deposits: These lines identify the payment of taxes and/or insurance and other items that must be made at settlement to set up an escrow account. The lender is not allowed to collect more than a certain amount. The individual item deposits may overstate the amount that can be collected. The aggregate adjustment makes the correction in the amount on line 1008. It will be zero or a negative amount.

1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance	months @ \$	per month	
1002. Mortgage insurance	months @ \$	per month	
1003. City property taxes	months @ \$	per month	
1004. County property taxes	months @ \$	per month	
1005. Annual assessments	months @ \$	per month	
1006.	months @ \$	per month	
1007.	months @ \$	per month	
1008. Aggregate Adjustment			

1100. Title Charges: Title charges may cover a variety of services performed by title companies and others. Your particular settlement may not include all of the items below or may include others not listed.

1101. Settlement or Closing Fee: This fee is paid to the settlement agent or escrow holder. Responsibility for payment of this fee should be negotiated between the seller and the buyer.

1102-1104. Abstract of Title Search, Title Examination, Title Insurance Binder: The charges on these lines cover the costs of the title search and examination.

1105. Document Preparation: This is a separate fee that some lenders or title companies charge to cover their costs of preparation of final legal papers, such as a mortgage, deed of trust, note or deed.

1106. Notary Fee: This fee is charged for the cost of having a person who is licensed as a notary public swear to the fact that the persons named in the documents did, in fact, sign them.

1107. Attorney's Fees: You may be required to pay for legal services provided to the lender, such as an examination of the title binder. Occasionally, the seller will agree in the agreement of sale to pay part of this fee. The cost of your attorney and/or the seller's attorney may also appear here. If an attorney's involvement is required by the lender, the fee will appear on this part of the form, or on lines 1111, 1112 or 1113.

1108. Title Insurance: The total cost of owner's and lender's title insurance is shown here.

1109. Lender's Title Insurance: The cost of the lender's policy is shown here.

1110. Owner's (Buyer's) Title Insurance: The cost of the owner's policy is shown here.

<b>1100. TITLE CHARGES</b>				
1101. Settlement or closing fee	to			
1102. Abstract or title search	to			
1103. Title examination	to			
1104. Title insurance binder	to			
1105. Document preparation	to			
1106. Notary fees	to			
1107. Attorney's fees	to			
<i>(includes above items numbers;</i>		<i>)</i>		
1108. Title Insurance	to			
<i>(includes above items numbers;</i>		<i>)</i>		
1109. Lender's coverage	\$			
1110. Owner's coverage	\$			
1111.				
1112.				
1113.				

1200. Government Recording and Transfer Charges: These fees may be paid by you or by the seller, depending upon your agreement of sale with the seller. The buyer usually pays the fees for legally recording the new deed and mortgage (line 1201). Transfer taxes, which in some localities are collected whenever property changes hands or a mortgage loan is made, can be quite large and are set by state and/or local governments. City, county and/or state tax stamps may have to be purchased as well (lines 1202 and 1203).

<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>				
1201. Recording fees: Deed \$	; Mortgage \$	; Releases \$		

1202. City/county tax/stamps:	Deed \$	; Mortgage \$		
1203. State tax/stamps:	Deed \$	; Mortgage \$		
1204.				
1205.				

1300. Additional Settlement Charges:

1301. Survey: The lender may require that a surveyor conduct a property survey. This is a protection to the buyer as well. Usually the buyer pays the surveyor's fee, but sometimes this may be paid by the seller.

1302. Pest and Other Inspections: This fee is to cover inspections for termites or other pest infestation of your home.

1303-1305. Lead-Based Paint Inspections: This fee is to cover inspections or evaluations for lead-based paint hazard risk assessments and may be on any blank line in the 1300 series.

1300. <b>ADDITIONAL SETTLEMENT CHARGES</b>		
1301. Survey to		
1302. Pest inspection to		
1303.		
1304.		
1305.		

1400. Total Settlement Charges: The sum of all fees in the borrower's column entitled "Paid from Borrower's Funds at Settlement" is placed here. This figure is then transferred to line 103 of Section J, "Settlement charges to borrower" in the **Summary of Borrower's Transaction** on page 1 of the HUD-1 Settlement Statement and added to the purchase price. The sum of all of the settlement fees paid by the seller are transferred to line 502 of Section K, **Summary of Seller's Transaction** on page 1 of the HUD-1 Settlement Statement.

1400. <b>TOTAL SETTLEMENT CHARGES</b> (enter on lines 103, Section J and 502, Section K)		
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Paid Outside Of Closing ("POC"): Some fees may be listed on the HUD-1 to the left of the borrower's column and marked "P.O.C." Fees such as those for credit reports and appraisals are usually paid by the borrower before closing/settlement. They are additional costs to you. Other fees such as those paid by the lender to a mortgage broker or other settlement service providers may be paid after closing/settlement. These fees are usually included in the interest rate or other settlement

charge. They are not an additional cost to you. These types of fees will not be added into the total on Line 1400.

## B. Calculating the Amount You Need At Settlement

The first page of the HUD-1 Settlement Statement summarizes all the costs and adjustments for the borrower and seller. Section J is the summary of the borrower's transaction and Section K is the summary of the seller's side of the transaction. You may receive a copy of the seller's side, but it is not required.

Section 100 summarizes the borrower's costs, such as the contract cost of the house, any personal property being purchased, and the total settlement charges owed by the borrower from Section L.

Beginning at line 106, adjustments are made for items (such as taxes, assessments, fuel) that the seller has previously paid. If you will benefit from these items after settlement, you will usually repay the seller for that portion of the cost.

Here is an example for you to use in making your own calculations:

<b>J. SUMMARY OF BORROWER'S TRANSACTION</b>		
<b>100.</b>	<b>GROSS AMOUNT DUE FROM BORROWER:</b>	
101.	Contract sales price	<b>100,000.00</b>
102.	Personal Property	
103.	Settlement charges to borrower (line 1400)	<b>4,000.00</b>
104.		
105.		
<i>Adjustments for items paid by seller in advance</i>		
106.	City/town taxes to	
107.	County taxes to	
108.	Assessments 6/30 to 7/31 (owners assn.)	<b>40.00</b>
109.	Fuel Oil 25 gals. @ \$1.00/gal.	<b>25.00</b>
110.		
111.		
112.		
<b>120.</b>	<b>GROSS AMOUNT DUE FROM BORROWER</b>	<b>104,065.00</b>

*Assume in this example, the cost of the house is \$100,000 and the borrower's total settlement charges brought from Line 1400 of Section L are \$4,000. Assume that the settlement*

date is July 1. Here the borrower has agreed to pay the seller for the \$40 Home Owners Association dues that have been paid for the month of July and for the 25 gallons of fuel oil left in the tank. This is added for a gross amount due from the borrower of \$104,065.

Section 200 lists the amount paid by the borrower or on behalf of the borrower. This will include the deposit of earnest money you put down with the agreement of sale, the loan(s) you are getting and any loan you may be assuming.

Beginning at Line 210, adjustments are made for items that the seller owes (such as taxes, assessments) but for which you as the borrower will pay after settlement. The seller will usually pay you or credit you this portion at settlement.

<b>200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:</b>		
201.	Deposit of earnest money	<b>2,000.00</b>
202.	Principal amount of new loan(s)	<b>80,000.00</b>
203.	Existing loan(s) taken subject to	
204.		
205.		
206.		
207.		
208.		
209.		
<i>Adjustments for items unpaid by seller</i>		
210.	City/town taxes to	
211.	County taxes 1/1 to 6/30 \$1,200/ year	<b>600.00</b>
212.	Assessments 1/1 to 6/30 \$200/yr.	<b>100.00</b>
213.		
214.		
215.		
216.		
217.		
218.		
219.		
<b>220.</b>	<b>TOTAL PAID BY/FOR BORROWER</b>	<b>82,700.00</b>

*In this example, assume the borrower paid an earnest deposit of \$2,000 and is getting a loan for \$80,000. A tax of \$1200 and an assessment of \$200 are due at the end of the year. The seller will pay the borrower for six months or one-half of this amount. Line 220 shows the total \$82,700 to be paid by or for the borrower.*

Section 300 reflects the difference between the gross amount due from the borrower and the total amount paid by/for the borrower. Generally, line 303 will show the amount of cash the borrower must bring to settlement.

300. CASH AT SETTLEMENT FROM/TO BORROWER		
301.	Gross Amount due from borrower (line 120)	104,065.00
302.	Less amounts paid by/for borrower (line 220)	(82,700.00)
303.	CASH <input checked="" type="checkbox"/> FROM) ( TO) BORROWER	21,365.00

*In this example, the borrower must bring \$21,365.00 to settlement.*

### C. Adjustments To Costs Shared By Buyer and Seller

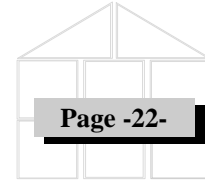
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**A**t settlement it is usually necessary to make an adjustment between buyer and seller for property taxes and other expenses. The adjustments between buyer and seller are shown in Sections J and K of the HUD-1 Settlement Statement. In the example given above, the taxes, which are payable annually, had not yet been paid when the settlement occurs on July 1. The borrower will have to pay a whole year's taxes on the following December 1. However, the seller lived in the house for the first six months of the year. Thus, one half of the year's taxes are to be paid by the seller. Accordingly, lines 211 and 511 on the HUD-1 Settlement Statement would read as follows:

211. County taxes	1/1/97	to	6/30/97	\$600.00	511. County taxes	1/1/97	to	6/30/97	\$600.00
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The borrower is given credit for this amount at the settlement and the seller will pay this amount or count it as a deduction from sums payable to the seller.

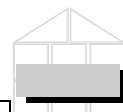
Similar adjustments are made for homeowner association dues, special assessments, and fuel and other utilities, although the billing periods for these may not always be on an annual basis. Be sure you work out these cost sharing arrangements or "prorations" with the seller before the settlement. You may wish to notify utility companies of the change in ownership and ask for a special reading on the day of settlement, with the bill for pre-settlement charges to be mailed to the seller at his or her new



address or to the settlement agent. This will eliminate much confusion that can result if you are billed for utilities used when the seller owned the property.



# D. HUD-1 Settlement Statement



<b>A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>SETTLEMENT STATEMENT</b>	
<b>B. TYPE OF LOAN</b>			6. File Number	7. Loan Number
			8. Mortgage Insurance Case Number	
3. CONV. UNINS.	1. FHA 4. VA	2. FmHA 5. CONV. INS.		
<i>C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</i>				
D. NAME AND ADDRESS OF BORROWER:		E. NAME AND ADDRESS OF SELLER:		F. NAME AND ADDRESS OF LENDER:
G. PROPERTY LOCATION:		H. SETTLEMENT AGENT: NAME, AND ADDRESS		
		PLACE OF SETTLEMENT:	I. SETTLEMENT DATE:	

J. SUMMARY OF BORROWER'S TRANSACTION	
<b>100. GROSS AMOUNT DUE FROM BORROWER:</b>	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
104.	
105.	
<i>Adjustments for items paid by seller in advance</i>	
106. City/town taxes	to
107. County taxes	to
108. Assessments	to
109.	
110.	
111.	
112.	
<b>120. GROSS AMOUNT DUE FROM BORROWER</b>	

K. SUMMARY OF SELLER'S TRANSACTION	
<b>400. GROSS AMOUNT DUE TO SELLER:</b>	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
<i>Adjustments for items paid by seller in advance</i>	
406. City/town taxes	to
407. County taxes	to
408. Assessments	to
409.	
410.	
411.	
412.	
<b>420. GROSS AMOUNT DUE TO SELLER</b>	

200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit of earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
<i>Adjustments for items unpaid by seller</i>	
210. City/town taxes	to
211. County taxes	to
212. Assessments	to
213.	
214.	
215.	
216.	
217.	
218.	
219.	
<b>220. TOTAL PAID BY/FOR BORROWER</b>	

500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
<i>Adjustments for items unpaid by seller</i>	
510. City/town taxes	to
511. County taxes	to
512. Assessments	to
513.	
514.	
515.	
516.	
517.	
518.	
519.	
<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>	

300. CASH AT SETTLEMENT FROM/TO BORROWER	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220)	
<b>303. CASH ( FROM) ( TO) BORROWER</b>	

600. CASH AT SETTLEMENT TO/FROM SELLER	
601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	
<b>603. CASH ( TO) ( FROM) SELLER</b>	

<b>L. SETTLEMENT CHARGES</b>
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700. TOTAL SALES/BROKER'S COMMISSION based on price \$ @ %=			PAYED FROM BORROWER'S FUNDS AT SETTLEMENT	PAYED FROM SELLER'S FUNDS AT SETTLEMENT
<i>Division of Commission (line 700) as follows:</i>				
701. \$	to			
702. \$	to			
703. Commission paid at Settlement				
704.				
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>				
801. Loan Origination Fee	%			
802. Loan Discount	%			
803. Appraisal Fee	to			
804. Credit Report	to			
805. Lender's Inspection Fee				
806. Mortgage Insurance Application Fee to				
807. Assumption Fee				
808.				
809.				
810.				
811.				
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>				
901. Interest from	to	@ \$	/day	
902. Mortgage Insurance Premium for months to				
903. Hazard Insurance Premium for years to				
904. years to				
905.				
<b>1000. RESERVES DEPOSITED WITH LENDER</b>				
1001. Hazard Insurance	months @ \$	per month		
1002. Mortgage insurance	months @ \$	per month		
1003. City property taxes	months @ \$	per month		
1004. County property taxes	months @ \$	per month		
1005. Annual assessments	months @ \$	per month		
1006.	months @ \$	per month		
1007.	months @ \$	per month		
1008. Aggregate Adjustment	months @ \$	per month		
<b>1100. TITLE CHARGES</b>				
1101. Settlement or closing fee	to			
1102. Abstract or title search	to			
1103. Title examination	to			
1104. Title insurance binder	to			
1105. Document preparation	to			
1106. Notary fees	to			
1107. Attorney's fees	to			
<i>(includes above items numbers; )</i>				
1108. Title Insurance	to			
<i>(includes above items numbers; )</i>				
1109. Lender's coverage	\$			
1110. Owner's coverage	\$			
1111.				
1112.				
1113.				
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>				
1201. Recording fees: Deed \$ ; Mortgage \$ ; Releases \$				
1202. City/county tax/stamps: Deed \$ ; Mortgage \$				
1203. State tax/stamps: Deed \$ ; Mortgage \$				
1204.				
1205.				
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>				
1301. Survey to				
1302. Pest inspection to				
1303.				
1304.				
1305.				
<b>1400. TOTAL SETTLEMENT CHARGES</b> <i>(enter on lines 103, Section J and 502, Section K)</i>				

For information about rural housing loan programs contact:

Department of Agriculture  
Rural Development/Rural Housing Services  
Stop 0783  
Washington, DC 20250  
Web Site: <http://www.rurdev.usda.gov>

For information about the Truth in Lending Act and  
the Equal Credit Opportunity Act contact:

Federal Reserve Board  
20th Street and Constitution Avenue, NW  
Washington, DC 20551  
<http://www.bog.frb.fed.us>

# IMPORTANT!

## Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).



# Protect Your Family From Lead in Your Home



## Are You Planning to Buy or Rent a Home Built Before 1978?

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Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

### Read this entire brochure to learn:

- How lead gets into the body
- About health effects of lead
- What you can do to protect your family
- Where to go for more information

### Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

### If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



## Consumer Product Safety Commission (CPSC)

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The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

### CPSC

4330 East West Highway  
Bethesda, MD 20814-4421  
1-800-638-2772  
[cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov)

## U. S. Department of Housing and Urban Development (HUD)

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

### HUD

451 Seventh Street, SW, Room 8236  
Washington, DC 20410-3000  
(202) 402-7698  
[hud.gov/offices/lead/](http://hud.gov/offices/lead/)

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U. S. EPA Washington DC 20460  
U. S. CPSC Bethesda MD 20814  
U. S. HUD Washington DC 20410

EPA-747-K-12-001  
December 2012

## Simple Steps to Protect Your Family from Lead Hazards

### If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](http://epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

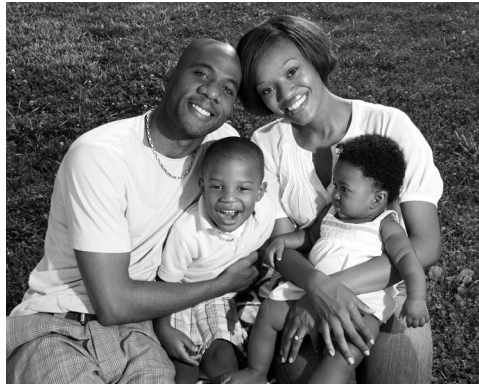
## Lead Gets into the Body in Many Ways

### Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

### Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



### Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

## U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

**Region 1** (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact  
U.S. EPA Region 1  
Suite 1100 (CPT) One Congress Street  
Boston, MA 02114-2023  
(617) 918-1524

**Region 2** (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact  
U.S. EPA Region 2  
2890 Woodbridge Avenue  
Building 205, Mail Stop 225  
Edison, NJ 08837-3679  
(732) 321-6671

**Region 3** (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact  
U.S. EPA Region 3  
1650 Arch Street  
Philadelphia, PA 19103  
(215) 814-2088

**Region 4** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact  
U.S. EPA Region 4  
AFC Tower, 12th Floor, Air, Pesticides & Toxics  
61 Forsyth Street, SW  
Atlanta, GA 30303  
(404) 562-8998

**Region 5** (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact  
U.S. EPA Region 5 (DT-8J)  
77 West Jackson Boulevard  
Chicago, IL 60604-3666  
(312) 886-7836

**Region 6** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact  
U.S. EPA Region 6  
1445 Ross Avenue, 12th Floor  
Dallas, TX 75202-2733  
(214) 665-2704

**Region 7** (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact  
U.S. EPA Region 7  
11201 Renner Blvd.  
WWPD/TOPE  
Lenexa, KS 66219  
(800) 223-0425

**Region 8** (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact  
U.S. EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
(303) 312-6966

**Region 9** (Arizona, California, Hawaii, Nevada)

Regional Lead Contact  
U.S. EPA Region 9 (CMD-4-2)  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 947-4280

**Region 10** (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact  
U.S. EPA Region 10  
Solid Waste & Toxics Unit (WCM-128)  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101  
(206) 553-1200

## For More Information

### The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at [epa.gov/lead](http://epa.gov/lead) and [hud.gov/lead](http://hud.gov/lead), or call **1-800-424-LEAD (5323)**.

### EPA's Safe Drinking Water Hotline

For information about lead in drinking water, call **1-800-426-4791**, or visit [epa.gov/lead](http://epa.gov/lead) for information about lead in drinking water.

### Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at [cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov).

### State and Local Health and Environmental Agencies

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at [epa.gov/lead](http://epa.gov/lead), or contact the National Lead Information Center at **1-800-424-LEAD**.

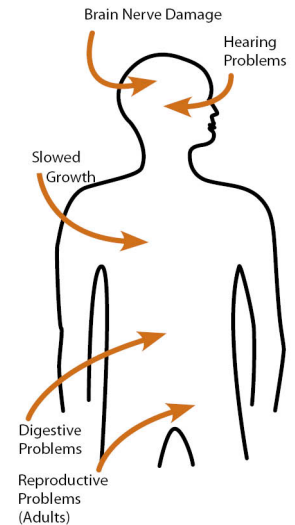
Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

## Health Effects of Lead

**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

### In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

### In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



## Check Your Family for Lead

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**Get your children and home tested if you think your home has lead.**

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

**Your doctor can explain what the test results mean and if more testing will be needed.**

## Other Sources of Lead

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**While paint, dust, and soil are the most common sources of lead, other lead sources also exist:**

- **Drinking water.** Your home might have plumbing with lead or lead solder. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might contain lead:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.Call your local health department or water supplier to find out about testing your water, or visit [epa.gov/lead](https://www.epa.gov/lead) for EPA's lead in drinking water information.
- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.<sup>4</sup>
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon**," used to treat an upset stomach.

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<sup>4</sup> In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint (16 CFR 1303). In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products (76 FR 44463).

## Renovating, Remodeling, or Repairing (RRP) a Home with Lead-Based Paint

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**If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:**

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



**RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:**

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment and
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects visit [epa.gov/getleadsafe](https://www.epa.gov/getleadsafe), or read *The Lead-Safe Certified Guide to Renovate Right*.

## Where Lead-Based Paint Is Found

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In general, the older your home or childcare facility, the more likely it has lead-based paint.<sup>1</sup>

**Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint.** In 1978, the federal government banned consumer uses of lead-containing paint.<sup>2</sup>

Learn how to determine if paint is lead-based paint on page 7.

**Lead can be found:**

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

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<sup>1</sup> "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

<sup>2</sup> "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

## Identifying Lead-Based Paint and Lead-Based Paint Hazards

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**Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint)** is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

**Lead-based paint is usually not a hazard if it is in good condition** and if it is not on an impact or friction surface like a window.

**Lead dust** can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) and higher for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  and higher for interior window sills

**Lead in soil** can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

**Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.**

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

## Reducing Lead Hazards, continued

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**If your home has had lead abatement work done** or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  for interior windows sills
- 400  $\mu\text{g}/\text{ft}^2$  for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit [epa.gov/lead](http://epa.gov/lead), or call 1-800-424-LEAD.

## Reducing Lead Hazards

**Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.**

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



**Always use a certified contractor who is trained to address lead hazards safely.**

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

## Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

## Checking Your Home for Lead, continued

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In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit [epa.gov/lead](https://www.epa.gov/lead), or call **1-800-424-LEAD (5323)** for a list of contacts in your area.<sup>3</sup>

## What You Can Do Now to Protect Your Family

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**If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:**

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

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<sup>3</sup> Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8399.

# IMPORTANT!

## Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).



# Protect Your Family From Lead in Your Home



## Are You Planning to Buy or Rent a Home Built Before 1978?

---

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

### Read this entire brochure to learn:

- How lead gets into the body
- About health effects of lead
- What you can do to protect your family
- Where to go for more information

### Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

### If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



## Consumer Product Safety Commission (CPSC)

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The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

### CPSC

4330 East West Highway  
Bethesda, MD 20814-4421  
1-800-638-2772  
[cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov)

## U. S. Department of Housing and Urban Development (HUD)

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

### HUD

451 Seventh Street, SW, Room 8236  
Washington, DC 20410-3000  
(202) 402-7698  
[hud.gov/offices/lead/](http://hud.gov/offices/lead/)

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U. S. EPA Washington DC 20460  
U. S. CPSC Bethesda MD 20814  
U. S. HUD Washington DC 20410

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## Simple Steps to Protect Your Family from Lead Hazards

### If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](http://epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.



## Lead Gets into the Body in Many Ways

### Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

### Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



### Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

## U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

**Region 1** (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact  
U.S. EPA Region 1  
Suite 1100 (CPT) One Congress Street  
Boston, MA 02114-2023  
(617) 918-1524

**Region 2** (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact  
U.S. EPA Region 2  
2890 Woodbridge Avenue  
Building 205, Mail Stop 225  
Edison, NJ 08837-3679  
(732) 321-6671

**Region 3** (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact  
U.S. EPA Region 3  
1650 Arch Street  
Philadelphia, PA 19103  
(215) 814-2088

**Region 4** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact  
U.S. EPA Region 4  
AFC Tower, 12th Floor, Air, Pesticides & Toxics  
61 Forsyth Street, SW  
Atlanta, GA 30303  
(404) 562-8998

**Region 5** (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact  
U.S. EPA Region 5 (DT-8J)  
77 West Jackson Boulevard  
Chicago, IL 60604-3666  
(312) 886-7836

**Region 6** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact  
U.S. EPA Region 6  
1445 Ross Avenue, 12th Floor  
Dallas, TX 75202-2733  
(214) 665-2704

**Region 7** (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact  
U.S. EPA Region 7  
11201 Renner Blvd.  
WWPD/TOPE  
Lenexa, KS 66219  
(800) 223-0425

**Region 8** (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact  
U.S. EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
(303) 312-6966

**Region 9** (Arizona, California, Hawaii, Nevada)

Regional Lead Contact  
U.S. EPA Region 9 (CMD-4-2)  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 947-4280

**Region 10** (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact  
U.S. EPA Region 10  
Solid Waste & Toxics Unit (WCM-128)  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101  
(206) 553-1200

## For More Information

### The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at [epa.gov/lead](http://epa.gov/lead) and [hud.gov/lead](http://hud.gov/lead), or call **1-800-424-LEAD (5323)**.

### EPA's Safe Drinking Water Hotline

For information about lead in drinking water, call **1-800-426-4791**, or visit [epa.gov/lead](http://epa.gov/lead) for information about lead in drinking water.

### Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at [cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov).

### State and Local Health and Environmental Agencies

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at [epa.gov/lead](http://epa.gov/lead), or contact the National Lead Information Center at **1-800-424-LEAD**.

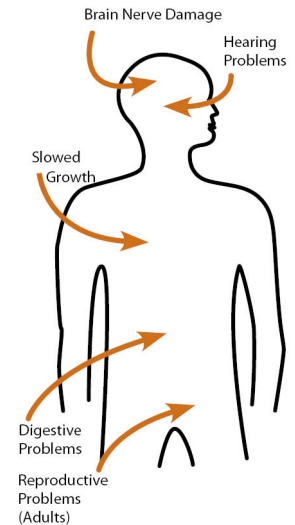
Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

## Health Effects of Lead

**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

### In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

### In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

## Check Your Family for Lead

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**Get your children and home tested if you think your home has lead.**

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

**Your doctor can explain what the test results mean and if more testing will be needed.**

## Other Sources of Lead

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**While paint, dust, and soil are the most common sources of lead, other lead sources also exist:**

- **Drinking water.** Your home might have plumbing with lead or lead solder. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might contain lead:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.Call your local health department or water supplier to find out about testing your water, or visit [epa.gov/lead](https://www.epa.gov/lead) for EPA's lead in drinking water information.
- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.<sup>4</sup>
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon**," used to treat an upset stomach.

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<sup>4</sup> In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint (16 CFR 1303). In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products (76 FR 44463).

## Renovating, Remodeling, or Repairing (RRP) a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment and
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects visit [epa.gov/getleadsafe](https://www.epa.gov/getleadsafe), or read *The Lead-Safe Certified Guide to Renovate Right*.

## Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.<sup>1</sup>

**Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint.** In 1978, the federal government banned consumer uses of lead-containing paint.<sup>2</sup>

Learn how to determine if paint is lead-based paint on page 7.

**Lead can be found:**

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

<sup>1</sup> "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

<sup>2</sup> "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

## Identifying Lead-Based Paint and Lead-Based Paint Hazards

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**Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint)** is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

**Lead-based paint is usually not a hazard if it is in good condition** and if it is not on an impact or friction surface like a window.

**Lead dust** can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) and higher for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  and higher for interior window sills

**Lead in soil** can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

**Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.**

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

## Reducing Lead Hazards, continued

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**If your home has had lead abatement work done** or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) for floors, including carpeted floors
- 250  $\mu\text{g}/\text{ft}^2$  for interior windows sills
- 400  $\mu\text{g}/\text{ft}^2$  for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit [epa.gov/lead](http://epa.gov/lead), or call 1-800-424-LEAD.

## Reducing Lead Hazards

**Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.**

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



**Always use a certified contractor who is trained to address lead hazards safely.**

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

## Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

## Checking Your Home for Lead, continued

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In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit [epa.gov/lead](https://www.epa.gov/lead), or call **1-800-424-LEAD (5323)** for a list of contacts in your area.<sup>3</sup>

## What You Can Do Now to Protect Your Family

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**If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:**

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

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<sup>3</sup> Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8399.