



# City of San Antonio

## Agenda Memorandum

**File Number:**19-6396

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**Agenda Item Number:** 8.

**Agenda Date:** 9/17/2019

**In Control:** Audit and Accountability Committee

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### **AUDIT COMMITTEE SUMMARY**

**September 17, 2019**

**Neighborhood and Housing Services Department**

**Down Payment Assistance Programs**

Report Issued July 30, 2019

### **Audit Objective**

Determine if Down Payment Assistance Programs are managed effectively and in compliance with policies.

### **Background**

NHSD is responsible for providing management and delivery of City resources focused on housing, economic stimulation, reinvestment, and rehabilitation. Included in these services are three programs focused on providing home-buying assistance to the City's employees, first responders, and general residents of San Antonio.

The Homeownership Program for Employees (HOPE) provides assistance to full-time civilian employee homebuyers by making a \$5,000 or \$10,000, 0% interest, no payments second loan. This loan is forgiven over five years and only homes located in the Community Revitalization Action Group (CRAG) area or the Inner City Reinvestment/Infill Policy (ICRIP) area are eligible for this program.

The First Responders Homebuyer Assistance Program (FRHAP) provides assistance to uniform police and fire employees by making a 0% interest or no payments second loan in an amount of \$15,000 for homes purchased in the CRAG area or \$7,500 for homes in the general City limits.

The Homeownership Incentive Program (HIP) provides assistance to qualified homebuyers in the general public by lending between \$1,000-\$12,000 as a 0% interest / no payments second loan. 75% of the loan will be forgiven over a 10-year period and only homes located within the city limits of San Antonio are eligible for this program.

### **Scope & Methodology**

Our audit scope was October 2017 through September 2018. We reviewed respective program policies, guidelines, and procedures as well as HUD regulations. For each program, we evaluated supporting documentation including examples of loan files, applicant databases, and financial reconciliations used to manage allocated funding.

### **Conclusions**

The Down Payment Assistance Programs are managed effectively and in compliance with policies. NHSD is appropriately evaluating program applicants based on program qualifications and issuing the authorized funds based on program policies.

However, there are opportunities to strengthen the controls associated with recognizing when enrolled personnel separate from the City, accounting for the recoupment of unforgiven funds of separated employees, and securing electronic loan file documents.

NHSD Management agreed with the audit findings and has developed positive action plans to address them.