



FREQUENTLY ASKED QUESTIONS FIRST TIME HOMEBUYER (APPLICANT)



INCOME LIMITS FOR 2019

Number of person in Household 2018 Stanislaus County Income Limits (eff. 6/28/19)								
	1	2	3	4	5	6	7	8
80% of AMI	\$36,300	\$41,500	\$46,700	\$51,850	\$56,000	\$60,150	\$64,300	\$68,450

1. Is this program based on Net Income or Gross Income, whose income is considered?
It is based on the **GROSS** income of **ALL** household members over the age of 18.
2. Am I required to put any down payment for my house? **Yes, you are required to provide a minimum of 1% out of pocket contribution which must be supported with Bank Statements or gift letter.**
3. What is the maximum assistance? **The Loan will depend on a gap difference of the purchase, however the assistance will be restricted to 50% of total purchase indebtedness with a cap of up to \$100,000.**

	EXAMPLE 1	EXAMPLE 2	EXAMPLE 3
Purchase price of home	\$240,000	\$139,000	\$260,000
-1 st Loan	- \$190,000	- \$69,500	- \$ 165,200
-1% applicant's contribution	-\$ 2,400	-\$ 1,390	-\$ 2,600
<u>+closing cost (est. 3%)</u>	<u>+\$ 7,200</u>	<u>+\$ 4,170</u>	<u>+\$ 7,800</u>
= City's loan	\$54,800	\$ 69,500	\$100,000
	Gap	(50% of indebtedness)	Maximum loan

4. What are the advantages of a City Loan? **The City Loan will be deferred for the first 30 years as long as the Homeowner resides on the property. City Loan rate is fixed for 3% Simple Interest.**
5. Is there any penalties for early payments? **There is no pre-payments penalties. All voluntary payments will be applied to interest first.**
6. Can the money be used to buy any type of home (Mobile Home)? **Yes, with the following requirements:**
 - **Must be on permanent foundation**

- Property must be on its own parcel
 - Must have all documents in order
 - Must pass all required Inspections
7. What is the process of the program? The applicant completes our application and sets an appointment for and income screening. If the income screening deems you eligible you will get a second packet which you will give to your realtor to complete. With this second packet you may place an offer on a property. Once you have all the loan documents ready from your bank including appraisals, Preliminary Title Report, etc. you must submit the second package to our office for review. If the checklist is not missing any items and your packet is complete then the 45 day escrow begins. During this time we send out our third party verification of employment, social security and unemployment. Your realtor then requests a health and safety inspection from us. Lastly, we present your case to our Loan Committee for approval.
8. How long does it take for the whole process? Approximately 60 to 90 days, depending on individual cases. No more than 5 days for the program prequalification. Time for your realtor, lender and yourself to gather corresponding documents for the final application. Plus a 45 day escrow beginning from the time we receive your complete final packet.
9. Does the home have to be new or can it be previously owned?
The home can be either as long as it passes our health and safety inspections.
10. Can I buy a banked owned property? Yes, just make sure the lender is aware of the Program's regulations
11. Is there any Inspections? If so, what are the fees, and who pays for it? City inspection for health and safety pertaining local and/or state building requirement do not have any charges for the first three visits. Other inspection such as roof inspection, chimney inspection, pest inspection will need to be arranged and paid by buyer or seller.
12. Is there a maximum purchase price limit? If the City determines that it must use HOME funds for your loan, there is a maximum purchase price of \$284,000.

