



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

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**Stanislaus County
 Down Payment Assistance Program Lending Guidelines
 August, 2015**

BORROWER ELIGIBILITY

Maximum Income

- Household income cannot exceed the amounts in the following chart per household size:

2015 Income Limits*

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
CalHome Income Limit (80% AMI)	\$34,750	\$39,700	\$44,650	\$49,600	\$53,600	\$57,550	\$61,550	\$65,500

Updated NSP IL 3-9-15 (rh)

*** The above limits apply to the income of all members of the household over 18 years of age. The income limits are based on figures published by the California Department of Housing and Community Development (HCD) or U.S. Department of Housing and Urban Development (HUD), depending on funding source used.**

- Please note that funding regulations do not allow for averaging for the purpose of determining annual income and require that the applicant's income be projected 12 months forward to determine eligibility. Stanislaus County program staff will determine income eligibility for program eligibility purposes. If your applicant's income comes close to the limit or you have questions regarding income eligibility, please contact the program administrators.
- Borrowers must complete a First Time Home Buyer education course from a HUD certified housing counseling agency and provide a copy of the certificate to Stanislaus County prior purchase of a home.
- Borrower must interview with DPA staff as part of eligibility process. Please call for an appointment.

PRIMARY FINANCING

Loans

- Conventional, FHA, and CHFA loans are accepted.
- No variable buy-down financing. Primary financing shall be fixed loans only.

DOWN PAYMENT ASSISTANCE (DPA)

Funding Source

- Funds for Down Payment Assistance may be available through a variety of sources including but not limited to Home Investment Partnerships Program (HOME), Neighborhood Stabilization Program (NSP), and State CalHome Program.

DPA Loan Terms

- Assistance up 25% of purchase price or up to \$50,000*, whichever is less, for DPA and eligible initial and closing costs: loan origination, title insurance, escrow fees, impounds, etc.

* Stanislaus County may change maximum assistance amount from time to time, depending on housing market conditions.

- Loan will be structured in the following way:
 - **Households at or below 80% of AMI:** Fifty percent (50%) of DPA at three percent (3%) simple interest per annum for first 10 years with payment deferred for the term of the loan, which shall be 30 years. Remaining 50% of loan at 0% interest, with payment deferred for the term of the loan. The note will be secured by a silent second deed of trust and all due and payable upon sale/transfer or at time of refinancing to use equity.
 - **Households between 81% to 120% AMI:** Fifty percent (50%) of DPA at three percent (3%) simple interest per annum for first 10 years with payments required to start at two (2) year anniversary. The term of the loan shall be 30 years. Remaining 50% of loan at 0% interest. The note will be secured by a silent second deed of trust and all due and payable upon sale/transfer or at time of refinancing to use equity.

Debt Ratios

- Stanislaus County wants to assist as many families as possible and therefore will provide the minimum assistance required to each qualified family (i.e. gap financing). Consistent with this intent, the County requires that the lenders follow good lending practices, and if ratios exceed 35% front or 43% back, the program administrators must approve compensating factors.

Borrower Contribution

- The Borrowing household shall, at a minimum, contribute the following amount toward the closing cost of the home purchase based on household AMI:
 - AMI at 50% or less: No contribution required
 - AMI at 51% to 80%: Minimum of \$1,500
 - AMI at 81% to 120%: Minimum of \$2,500

PROPERTY ELIGIBILITY

Location & Zoning

- The property must be located within unincorporated areas of Stanislaus County.
- The area where the property is located must be zoned residential.

Property Types

- Only single-family residences are eligible. The SFR may be a detached unit, a condominium unit, or a townhouse unit of new construction or existing (a.k.a resale unit). New construction units must be complete (i.e. all livable areas finished) and have a certificate of completion/occupancy.
- Unit structurally sound previously owned homes, preferably built after 1978.

Project Approval

- A condominium or townhouse project must have approval from the first mortgage loan investor and insurer. If CHFA will not approve condominium or townhouse in this area, some FHA loans may be allowed on a case-by-case basis.

Homebuyer Occupancy

- The unit to be purchased is to be the primary residence of buyers (at least 9months out of the year).

Current Property Occupancy

- A unit is ineligible if its purchase would result in a displacement of a tenant.
- Stanislaus County will not pay for relocation expenses for a tenant. If applicable, this factor must be disclosed to the seller prior to execution of a purchase contract. Therefore, the property to be purchased must be occupied by the owner/seller, vacant, or occupied by the Borrower (i.e., tenant purchase). If the property being purchased with assistance of the DPA program, is occupied by any tenant at or after the time the buyer(s) execute the original contract of sale, or if a tenant(s) has been asked to vacate the property in order to accomplish the sale, the property will be ineligible for the DPA program.

Purchase Price

- The maximum purchase price of an assisted property shall not exceed 100% of the current median sales price of a single family listed for Stanislaus County. The maximum purchase price may be restricted by the lesser of the Borrower's ability to qualify for the selected first mortgage or the DPA program maximum dollar amount or combined loan to value. In order to verify the purchase price, the following shall be provided to Stanislaus County:
 - A copy of the signed purchase agreement.
 - Prior to close of escrow, an appraisal prepared by a state-licensed residential property appraiser.

Maximum Combined Loan to Value

- The Combined Loan to Value (CLTV) ratio for a DPA Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent (100%) of the purchase price, plus a maximum of up to 5 percent (5%) of the purchase price, if allowed by funding source, to cover actual, non-recurring closing costs.

Property Size

- The FTHB program does not state restrictions on the number of occupants per bedroom, however, funding source regulations require that the assistance is for the provision of “modest housing.” The property and the number of inhabitants must meet local housing codes.

Inspection

- The property must meet FHA housing quality standards for safe, decent and sanitary livability. A licensed FHA appraiser must perform the inspection. A lead based paint assessment that meets Federal Standards will also be required if the home was built prior to 1978. A State Licensed Lead Paint Inspector must perform the assessment.

Rehabilitation

- The property to be purchased must be in suitable condition to be habitable without any significant rehabilitation that would affect livability (i.e. any required repair or rehabilitation must be complete prior to loan closing).

Equal Housing

- Stanislaus County is a strong supporter of the Affirmative Fair Marketing legislation and requires that all Real Estate firms, Lenders and Escrow companies display the Equal Housing Logo in their advertising and at their place of business.