



MORTGAGE ASSISTANCE PROGRAM

Down Payment Assistance Application

Applicant Name(s): _____

Home Address: _____
Street City Zip

Work Address: _____
Street City Zip

Phone: _____
Work Home Cell

Email: _____

Annual Household Gross Income: _____ **Number of Persons in Household:** _____

Have you ever owned a home before? Yes No **If yes, date of sale:** _____

To make a complete application, you must attach the following documents:

- Signed BUYER CERTIFICATION
- Signed DISCLOSURE NOTICE - APPLICATION PROCESS
- Copies of federal income tax returns for the previous 2 years
- Copies of two most recent paycheck stubs for each employed applicant
- Certificate of Completion for an 8-hour First Time Home Buyers Education Class

Please send completed applications to:

**Housing Division
City of Livermore
1052 South Livermore Avenue
Livermore, CA 94550**

Buyer is responsible for meeting Mortgage Assistant Program Guidelines and must continue to meet these guidelines throughout the escrow process.

For office use only:		
Date received: _____	Approved Loan Amount: _____	
<input type="checkbox"/> Buyers Certification	<input type="checkbox"/> Tax Forms	Approved by: _____
<input type="checkbox"/> Disclosure Notice	<input type="checkbox"/> Pay Stubs	Date: _____
	<input type="checkbox"/> FTHB Cert	



Mortgage Assistance Program Guidelines

The program provides financial assistance to low up to moderate income first time home buyers in the form of a 3% loan.

Borrower Qualifications

Household Size	Annual Income	Annual Income
1	\$46,350	\$ 75,000
2	\$53,000	\$ 85,700
3	\$59,600	\$ 96,450
4	\$66,250	\$107,150
5	\$71,550	\$115,700
Maximum Loan Amount	Up to \$40,000	Up to \$30,000
	<ul style="list-style-type: none"> • Deferred payments for 30 years • Purchase price limit applies 	<ul style="list-style-type: none"> • Amortized over 30 years • Requires monthly payments

Borrower(s) must be qualified first time homebuyers who are in the process of purchasing a single family home in the City of Livermore. A first time homebuyer is an individual or household that has not owned a home within the last three years.

Borrower(s) shall use the home purchased under this program as their primary residence.

Borrower(s) must meet the income eligibility limits set by the program in order to qualify for City assistance. Maximum loan amounts are determined by household size and income. Households earning less than 80% of the median household income shall be eligible for up to \$40,000 in down payment assistance. Households earning less than 120% of the median household income shall be eligible for up to \$30,000 in down payment assistance. Loan amounts are limited to a maximum of 20% of the purchase price.

Borrower must provide sufficient documentation of income to the City for use in determining the borrower's income level. Final determination of an applicant's income level and program eligibility shall be the sole discretion of the Housing and Human Services Manager.

Total Household Income means the total income of all occupants of the household.

Borrower must submit a complete application to the City's Housing Division at least four weeks prior to their scheduled close of escrow. Upon determination of eligibility for the Program borrower shall receive a letter stating the maximum amount of loan funds for which the buyer is eligible. *This letter determines loan eligibility only.* Since funding is limited and is available on a first come first served basis, a letter of eligibility is not a guarantee that funds will be available to the borrower when requested.

Borrower must provide funds in an amount equal to a minimum of 3% of the purchase price for use as a down payment. Funds used to provide the borrower's down payment must be seasoned for a minimum of three months. These funds must be deposited into escrow and verification of these deposited funds must be provided to the City prior to execution of City loan documents. (Borrower may be gifted funds above the 3%.)

An exception to the borrower's down payment requirement of 3% funds may be made, at the sole discretion of the City's Housing and Human Services Manager, if borrower has a FICO score greater than 720.

Homebuyer must successfully complete a City approved first time home buyer training program and provide a Certificate of Completion as part of the down payment assistance application.

Priority shall be given to persons who live and/or work in the City of Livermore.

Home Purchase Qualifications

Homes purchased must be existing single family residences located in the City of Livermore. Homes purchased in other cities or in the unincorporated area within or surrounding the City of Livermore do not qualify for the program.

Homes purchased must be single-family residences. This includes condominiums, mobile homes, townhouses, and single units that are part of a couplet or duet. Multi-unit structures (Duplexes, triplexes etc.) where more than one unit is being purchased are not eligible.

Termite and roof clearances must be obtained prior to the close of escrow.

Loan Qualifications

Borrower shall execute a promissory note for the amount of the City loan secured by a deed of trust to the property with the City of Livermore as beneficiary. Failure by borrower to make timely loan payments to the City may result in the default of the City's loan and forfeiture of ownership by the borrower.

Funds may be used as down payment assistance and/ or to pay for nonrecurring closing costs not to exceed 2% of the purchase price. Total down payment assistance shall not exceed 20% of the

purchase price of the home. Loan funds may be used only to purchase a house and to pay for any nonrecurring closing costs associated with purchasing the home. Buyer shall not use loan funds to finance repairs, room additions or to purchase any non-real property. No cash out allowed.

First Mortgage Qualifications

The first mortgage obtained for the purchase of the residence must be of a fixed interest rate over the life of the loan with no negative amortization, balloon payments or adjustable rate features.

Total loan amounts may not exceed the lesser of: 1) 97% of the appraised value of home 2) 97% of the purchase price.* Must be confirmed prior to the close of escrow through the submission of an appraisal report prepared by a licensed real estate appraiser. The appraisal must have been completed within six months prior to the close of escrow.

Borrower must have sufficient creditworthiness to qualify for a first mortgage from a City approved lender. Creditworthiness includes not having filed bankruptcy in the last 3 years. First mortgages must be fixed rate loans with no negative amortization, balloon payments or adjustable rate features

Borrower's total debt to income ratio may not exceed 40% of the Borrower's total income. At the sole discretion of the City's Housing and Human Services Manager, this ratio may be adjusted if the buyer's down payment exceeds the 3% minimum requirement and buyer's FICO score is greater than 720.

Borrower may use a cosigner when qualifying for the first mortgage. However, the cosigners' total household income shall be included as part of the buyer's total income when determining the borrower's income eligibility level.

The City will facilitate the execution of the City's loan documents.

Fulfilling the above requirements is the sole responsibility of the homebuyer. Failure to fully satisfy the above Program requirements as determined by the City's Housing and Human Services Manager may result in a delay in funding or in loan denial.

*The City will allow total loan amounts up to 99% of the lesser of : 1) the appraised value of home; 2) the purchase price if City DPA funds are applied towards closing costs.

LOAN DISBURSEMENT GUIDELINES

To reserve funds for 60 days:

Items to be sent to the City of Livermore from the Lender:

- Copy of the executed purchase agreement
- Copy of Complete Loan Package
- Copy of loan qualification letter for first mortgage
- Form 1003

To disburse funds into escrow:

Items to be sent to the City of Livermore from the Lender

- Form 1008 or equivalent
- Appraisal
- Termite clearance
- Roof clearance
- Title Company name, address, contact person, phone number, and escrow number

Items to be sent to the City of Livermore from the Title Company

- Wire instructions to transfer funds to escrow account (instruction must be on Title Company letterhead, signed by the escrow officer handling transaction)
- Proof of buyer's 3% down payment on deposit in Escrow
- Estimated Settlement Statement

After Escrow Closes:

Items to be sent to the City of Livermore from the Title Company

- Copy of HUD-1
- Title insurance naming City as a beneficiary
- Conformed copies of all recorded documents
- Funds for Loan set-up fee(s) and tax service fee
- Copy of Homeowners Insurance naming City as Loss Payee



Mortgage Assistance Program

Terms and Conditions

- Loan:
CalHOME: A thirty-year deferred payment loan at 3% simple interest; **OR**
City: A thirty-year amortized loan at 3% simple interest (requires monthly payments)
- Program available to first time homebuyers purchasing a home in the City of Livermore (you cannot have owned a home within the last three years.)
- Home buyer(s) must have a FICO score of 660 or greater.
- Home buyer(s) must have 3% of the purchase price as down payment, seasoned for 3 months and on deposit in escrow. Homebuyers with a FICO score greater than 720 may qualify for a lower down payment percentage.
- Must qualify for first mortgage with a lending institution.
- First mortgage must be fixed terms over the life of the loan. No ARM's, Balloon Payments, or negative amortization.
- Homebuyer's total debt to income ratio may not exceed 40% of the homebuyer's total income. At the sole discretion of the City's Housing and Human Services Manager, this ratio may be adjusted if the buyer's down payment exceeds the 3% minimum requirement and buyer's FICO score is greater than 720.
- Homebuyer must occupy the property as their primary residence.
- Total Down Payment Assistance is limited to 20% of the purchase price of the home.
- CLTV cannot exceed 97%.*

Promissory Note

- CalHOME Promissory Note is a deferred payment loan for 30 year at 3% simple interest. It becomes due and payable in full in year 30, upon sale, or refinance, whichever occurs first.
- City Promissory Note is a 30 year amortized loan at 3% simple interest, requiring monthly payments, it becomes due and payable upon sale, or refinance, whichever occurs first.

*The City will allow C LTV amounts up to 99% of the lesser of : 1) the appraised value of home; 2) the purchase price if City DPA funds are applied towards closing costs.

****PLEASE PROVIDE THIS INFORMATION TO YOUR LENDER****