

Fact Sheet

NeighborWorks® CalHome

Program Guidelines

Product Type	2nd mortgage loan for downpayment assistance
Lien Position	2nd position
Minimum Loan Amount	\$5,000
Maximum Loan Amount	\$25,000. The maximum loan shall not exceed the required amount of subsidy needed to make the unit affordable to the homebuyer.
Interest Rate	3.0% fixed rate, simple / 3.00 % APR. Principal and interest shall be deferred for the term of the loan.
Term	30 years deferred payments
Max CLTV	The loan-to-value ratio for the CalHome Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed one hundred (100) percent of the sales price plus a maximum of up to five (5) percent of the sales price to cover actual closing costs.
Use of Funds	Funds may be used for down payment, mortgage assistance. Interest rate buy downs are not allowed.
Refinancing	Refinancing may be allowed subject to NeighborWorks® HOCSR subordination policy.
Repayment	Loans shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, or upon the CalHome Program Loan maturity date.
Eligible Properties	The home must be located in eligible areas which are defined as "qualified census tracts" and/or redevelopment areas in the City and County of Sacramento. Please see following page for list of "qualified census tracts" and Agency redevelopment areas.
Maximum Sales Price	The maximum allowable sales price of the assisted unit cannot exceed the current median sales price of a single family home in Sacramento County.
Occupancy	Owner-occupied only.
First-Time Homebuyer	The applicant must be a first-time homebuyer which means a borrower(s) who has not owned a home during the three-year period before the purchase of a home with CalHome assistance.
Credit	FICO = 620. All open collections to be paid prior to closing.
Fee to NWHOCSR	None
Borrower's Min Investment	\$500
Household Income	80% Area Median Income. All adults in the household must be included in the income calculations.

Eligibility vs Lender Income	<p>For program eligibility, the total annual income includes income of all adult members of the household.</p> <p>For underwriting purposes, the lender shall use standard industry methods for determining the borrower's annual gross income. Note that the gross income figure calculated for income eligibility purposes may vary substantially from the annual income a lender will use to underwrite the first mortgage.</p>
Housing Debt Ratio	38/50. 29/41 FHA *Front ratio shall be no less than 28%.
Underwriting	<p>The first mortgage lender will perform the underwriting using established credit guidelines for the particular program. NeighborWorks® HOCSR will provide oversight of this function and may require credit explanations or payoff of collections if deemed necessary and prudent.</p> <p>There may be no outstanding unpaid judgments or involuntary liens at the time the CalHome loan is recorded.</p>
First Mortgage Restrictions	<p>Borrower shall obtain the maximum first lien mortgage loan with a term and interest rate from a mortgage lender consistent with affordable housing costs outlined above.</p> <p>The term of the loan shall be 30 years fixed rate. Mortgage loans shall not include provisions for negative amortization or principal increases. The first mortgage may be an FHA loan, conventional loan, or CHFA financing.</p> <p>The first mortgage lender is required to collect and manage impound accounts for payment of taxes, assessments and hazard insurance according to the lender's requirements.</p>
Escrow Prohibitions	Cash transactions and oral agreements outside of escrow are prohibited. Cash out of escrow to the borrower is limited to \$250 maximum.
Homebuyer Education	<p>The CalHome homebuyer must attend homebuyer education classes. The homebuyer education requirement may be met by taking the following classes from NeighborWorks® HomeOwnership Center Sacramento Region:</p> <ul style="list-style-type: none">Preparing for Homeownership Workshop.
Geographical Area Qualified Census Tracts City & County	<p>The "qualified census tracts" are:</p> <p>0005.00, 0006.00, 0007.00, 0010.00, 0011.00, 0012.00, 0014.00, 0018.00, 0020.00, 0022.00, 0027.00, 0028.00, 0032.01, 0036.00, 0037.00, 0041.00, 0042.02, 0042.03, 0043.00, 0044.01, 0044.02, 0046.01, 0046.02, 0048.01, 0049.03, 0049.05, 0050.02, 0051.03, 0052.01, 0053.00, 0055.02, 0062.02, 0063.00, 0064.00, 0065.00, 0066.00, 0067.02, 0068.00, 0069.00, 0070.01, 0074.04, 0074.13, 0083.00, 0088.00, 0089.11, 0090.07, 0091.10.</p> <p>Click here to view a map of the Eligible Census Tracts!</p>
Special Features	<p>Must obtain full copy package from 1st mortgage lender. 1st <u>must</u> be a 30 year fixed rate.</p> <ul style="list-style-type: none">*Any junior liens must be Deferred*Property must meet the Housing Quality Standards (HQS) & have a Clear Termite & Home Inspection. Not available on tenant occupied properties.
Application Procedure	To apply for the program, please call Alicia Perez at (916) 452-5356 ext. 227 or alicia@nwsac.org